



FORM 20-F

2024

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number: 001-41129

Nu Holdings Ltd.

(Exact name of Registrant as specified in its charter)

Nu Holdings Ltd.

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

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450 Lexington Avenue | New York, NY
USA 10017

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A ordinary shares, par value US\$0.000006666666667 per share	NU	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report.

The number of outstanding shares as of December 31, 2024 was 3,768,057,942 Class A ordinary shares, and 1,050,600,698 Class B ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b): ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this annual report:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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Presentation of Financial and Other Information

All references to “U.S. dollars,” “dollars,” or “US\$” are to the U.S. dollar. All references to “IFRS” are to International Financial Reporting Standards (IFRS) – Accounting Standards as issued by the International Accounting Standards Board (IFRS-Accounting Standards).

Financial Statements

Nu Holdings Ltd. (“Nu,” “Company,” “Group,” “we,” “us,” “our,” “our company” and “our business”) was incorporated in the Cayman Islands on February 26, 2016, as an exempted company incorporated with limited liability.

We maintain our books and records in U.S. dollars, which is the presentation currency for our financial statements and also our functional currency. The functional currency of our Brazilian, Mexican and Colombian operating entities, respectively, is the Brazilian real, the Mexican peso and the Colombian peso. The financial statements of each of our subsidiaries are maintained using the relevant functional currency for each subsidiary, which we determine is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. See note 2.a to our audited consolidated financial statements, included elsewhere in this annual report, for more information about our and our subsidiaries’ functional currencies.

Our consolidated financial statements were prepared in accordance with IFRS. Unless otherwise noted, our consolidated statement of financial position data presented herein as of December 31, 2024 and 2023 and the consolidated statements of income for the years ended December 31, 2024, 2023 and 2022 is stated in U.S. dollars, our reporting currency. Our consolidated financial information contained in this annual report is derived from our audited consolidated financial statements as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, together with the notes thereto.

This financial information should be read in conjunction with “Item 5. Operating and Financial Review and Prospects” and our consolidated financial statements, including the notes thereto, included elsewhere in this annual report.

Our fiscal year ends on December 31. References in this annual report to a fiscal year, such as “fiscal year 2024”, relate to our fiscal year ended on December 31 of that calendar year.

Special Note Regarding Non-IFRS Financial Measures

This annual report presents our Adjusted Net Income (Loss) and certain FX Neutral measures and their respective reconciliations for the convenience of investors, which are non-IFRS financial measures. A non-IFRS financial measure is generally defined as a numerical measure of historical or future financial performance, financial position, or cash flow that purports to measure financial performance but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. Adjusted Net Income (Loss) and the FX Neutral measures, however, should be considered in addition to, and not as a substitute for or superior to, net income (loss), or other measures of the financial performance prepared in accordance with IFRS.

Adjusted Net Income (Loss) is prepared and presented to eliminate the effect of items from net income (loss) attributable to shareholders of the parent company that we do not consider indicative of our core operating performance within the period presented. We define Adjusted Net Income (Loss) as net income (loss) attributable to shareholders of the parent company, adjusted for expenses related to share-based compensation, allocated tax effects on share-based compensation, hedge of the tax effects on share-based compensation, and the expense related to the termination of the 2021 Contingent Share Award (CSA) in 2022.



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 that 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;
- Non-cash equity grants made to executives, employees or consultants at a certain price and point in time, the income tax effects and the gains and losses of related hedges, do not necessarily reflect how our business is performing at any particular time and the related expenses are not considered to reflect our core operating performance; and
- The expense related to the termination of the 2021 Contingent Share Award (CSA) is considered unusual and not expected to recur in the foreseeable future and does not necessarily reflect how our business is performing or how it is expected to perform in the future and is not considered to reflect our core operating performance.

Adjusted Net Income (Loss) is not a substitute for net income (loss) attributable to shareholders of the parent company, 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. A reconciliation of our Adjusted Net Income (Loss) to its most directly comparable measure of income (loss) can be found in "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-IFRS Financial Measures and Reconciliations."

FX Neutral Measures

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 included in this annual report were calculated to present what such measures in preceding years would have been had exchange rates remained stable from these preceding years until the date of our most recent financial information, as detailed below.

The FX Neutral measures for the years ended December 31, 2023 and 2022 were calculated by multiplying the as reported amounts of Adjusted Net Income (Loss) and the key business metrics for such years by the average Brazilian *reais*/U.S. dollars exchange rates for the years ended December 31, 2023 and 2022 (R\$4.978 and R\$5.133 to US\$1.00, respectively), 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 year ended December 31, 2024 (R\$5.468 to US\$1.00), so as to present what certain of our statement of income amounts and key business metrics would have been had exchange rates remained stable from these past years until the year ended December 31, 2024. The average Brazilian *reais*/U.S. dollar exchange rate for the year ended December 31, 2021 (R\$5.415 to 1.00) was used to calculate, using the same methodology described above, the FX Neutral Revenue for 2021 which is an input to the FX Neutral Revenue growth (%) presented for the year 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 years 2024, 2023, 2022 and 2021, as reported by Bloomberg.

FX Neutral measures for deposits and interest-earning portfolio presented in this annual report were calculated by multiplying the reported amounts as of December 31, 2023 and 2022 by the spot Brazilian *reais*/U.S. dollars exchange rates as of these dates (R\$4.857 and R\$5.280 to US\$1.00, respectively), 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 December 31, 2024 (R\$ R\$6.174 to US\$1.00) so as to present what these amounts would have been had exchange rates been the same as those on December 31, 2024. The Brazilian *reais*/U.S. dollars exchange rates were calculated using rates as of such dates as reported by Bloomberg. The spot Brazilian reais/U.S. dollar exchange rate for the year ended December 31, 2021 (R\$5.576 to US\$1.00) was used to calculate, using the same methodology described above, the FX Neutral Deposit and FX Neutral Interest-earning portfolio as of December 31, 2021 which are inputs to the FX Neutral Deposit growth (%) and FX Neutral Interest-earning portfolio growth (%), respectively, presented for the year 2022.

FX Neutral measures do not include adjustments for any other macroeconomic effect, such as local currency inflation effects, or any price adjustment to compensate for local currency inflation or devaluation. A reconciliation of our FX Neutral measures to the most directly comparable financial measure calculated and presented in accordance with IFRS can be found in “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-IFRS Financial Measures and Reconciliations.”

Special Note Regarding Certain Operational Metrics

Customers and Active Customers

This annual report presents information regarding our number of customers and our number of monthly active customers.

Number of customers and monthly active customers information is prepared and presented as an important indicator of the size and momentum of our business, particularly as we continue to operate at a high growth pace. We define customers for a given measurement period as the individuals or Small and Medium Enterprises (SMEs) that have previously or within such measurement period opened an account with us and we exclude any such individuals or SMEs that have been charged-off or blocked or have voluntarily closed their account. The number of customers is presented because it allows us to track our capacity to attract and retain customers and can provide useful information to investors, securities analysts and the public in their review of our operating performance.

Monthly active customer information is prepared and presented as an important indicator of the size and momentum of our business based on the number of customers we consider to be active. We define monthly active customers as all customers that have generated revenue in the last 30 calendar days, for a given measurement period. Monthly active customers information is presented because it allows us to track our capacity to attract and retain active customers and can provide useful information to investors, securities analysts and the public in their review of our operating performance.

Moreover, we differentiate between total number of customers (which includes customers we consider to be non-active) and active customers, to enable our management to evaluate performance metrics exclusively on the customers that we define as active. Doing so allows us to track performance based on revenue (defined as Monthly ARPAC) and cost (defined as Monthly Average Cost to Serve per Active Customer). For an explanation of how we calculate Monthly ARPAC and Monthly Average Cost to Serve per Active Customer please see the “Glossary of Terms” and “Item 5. Operating and Financial Review and Prospects—A. Operating Results.”

Information regarding both total number of customers and monthly active customers should be analyzed in conjunction with other operating and financial metrics, and should not be considered as a measure of performance in isolation. Additionally, our calculation of these measures 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 measures may not be comparable to those of other companies.

Market Share and Other Information

This annual report contains data related to economic conditions in the markets in which we operate. The information contained in this annual report concerning economic conditions is based on publicly available information from third-party sources that we believe to be reasonable. Market data and certain industry forecast data used in this annual report were obtained from internal reports and studies, where appropriate, as well as estimates, market research, publicly available information (including information available from the U.S. Securities and Exchange Commission website) and industry publications. We obtained the information included in this annual report relating to the industry in which we operate, as well as the estimates concerning market shares, through internal research; public information; publications on the industry prepared by official public sources, such as the Brazilian Association of Financial and Capital Markets Entities (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*, or “ANBIMA”); the World Bank; the International Monetary Fund, or “IMF;” the Organization for Economic Co-operation and Development, or “OECD;” the Central Bank of Brazil (*Banco Central do Brasil*, or “BCB”); the Colombian Central Bank; the Central Bank of Mexico (*Banco de Mexico*, or “BANXICO”); the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*, or “SFC”); the Brazilian Social and Economic Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*, or “BNDES”); the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, or “IBGE”); the Brazilian Institute of Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada*, or “IPEA”); the Brazilian Superintendence of Private Insurance (*Superintendência de Seguros Privados*, or “SUSEP”); the Brazilian National Confederation of Insurers (*Confederação Nacional das Seguradoras*, or “CNSEG”); the Colombian National Administrative Department of Statistics (*Departamento Administrativo Nacional de Estadística*, or “DANE”); the Mexican National Institute of Statistics and Geography (*Instituto Nacional de Estadística, Geografía e Informática*, or “INEGI”); the Mexican National Survey of Financial Inclusion, (*Encuesta Nacional de Inclusión Financiera*, or “ENIF”); the Inter American Development Bank or “IDB”; the International Monetary Fund, or “IMF”, the European Central Bank, or “ECB”, the Brazilian Micro and Small Business Support Service (*Serviço Brasileiro de Apoio às Micro e Pequenas Empresas* or “SEBRAE”); the Brazilian Association of E-Commerce (*Associação Brasileira de E-Commerce*, or “ABCOMM”); the Brazilian Association of Credit Card and Services Companies (*Associação Brasileira de Empresas de Cartões de Crédito e Serviços*, or “ABECS”); the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the “CNBV”); the Mexican National Insurance and Finance Commission (*Comisión Nacional de Seguros y Finanzas*, or the “CNFS”); the Colombian Insurance Federation (*Federación de Aseguradores Colombianos*, or “Fasecolda”); the Colombian Trusts Association (*Asociación de Fiduciarias*, or “Asofiduciarias”); the GSM Association (*Global System for Mobile Communications*, or “GSMA”); and other private sources, such as the Brazilian stock exchange (B3 S.A. – Brasil, Bolsa, Balcão, or the “B3”), Bloomberg and Forbes, consulting and research companies in the Brazilian financial services industry, and Fundação Getulio Vargas, or “FGV”, among others. We estimate that we are one of the largest digital financial services platforms in the world by comparing what we believe to be the largest (by number of customers) digital financial services platforms around the world (according to public statements made by these platforms and data from an independent research firm) to the number of customers on our platform.



Industry publications generally state that the information they include has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we have no reason to believe any of this information or these reports are inaccurate in any material respect and believe and act as if they are reliable, we have not independently verified it. Governmental publications and other market sources, including those referred to above, generally state that their information was obtained from recognized and reliable sources, but the accuracy and completeness of that information is not guaranteed. In addition, the data that we compile internally and our estimates have not been verified by an independent source. Except as disclosed in this annual report, none of the publications, reports or other published industry sources referred to in this annual report were commissioned by us or prepared at our request. Except as disclosed in this annual report, we have not sought or obtained the consent of any of these sources to include such market data in this annual report.

Calculation of Net Promoter Score

Net promoter score, or “NPS,” is a widely known survey methodology that measures the willingness of customers to recommend a company’s products and services. It is used to gauge customers’ overall satisfaction with a company’s products and services and their loyalty to the brand, and it is typically based on customer surveys. NPS measures satisfaction using a scale of zero to 10 based on a customer’s response to the following question: “How likely is it that you would recommend Nu to a friend or colleague?” Responses of nine or 10 are considered “promoters.” Responses of seven or eight are considered neutral. Responses of six or less are considered “detractors.” The NPS, a percentage expressed as a numerical value, is calculated by subtracting the percentage of respondents who are detractors from the percentage who are promoters.

Rounding

We have made rounding adjustments to some of the figures included in this annual report. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this annual report include statements about:

- general economic, financial, political, demographic and business conditions in Brazil, Mexico and Colombia, as well as any other countries we may serve in the future and their impact on our business;
- fluctuations in interest, inflation and exchange rates in Brazil, Mexico and Colombia and any other countries we may serve in the future;
- our ability to timely and efficiently implement any measures that are necessary to combat or reduce the impacts of the ongoing war between Russia and the Ukraine and the conflict in the Middle East on our business, results of operations, cash flow, prospects, liquidity and financial condition;
- competition in the consumer technology and financial services industry;
- our ability to implement our business strategy;
- our ability to adapt to the rapid pace of technological changes in the sectors in which we operate;
- the reliability, performance, functionality and quality of our products and services, reliability and performance of our suitability, risk management and business continuity policies and processes;
- the availability of government authorizations on terms and conditions and within periods acceptable to us;

- our ability to continue attracting and retaining new appropriately-skilled employees;
- our capitalization and level of indebtedness;
- the interests of our founding shareholders;
- our ability to manage our growth effectively;
- our ability to successfully expand in Latin America and other new markets;
- changes in government regulations applicable to the financial services industry in Brazil, Mexico, Colombia and elsewhere;
- our ability to compete and conduct our business in the future;
- our ability to maintain, protect and enhance our brand and intellectual property;
- the success of operating initiatives, including advertising and promotional efforts and new product, service and concept development by us and our competitors;
- changes in consumer demands regarding the products and services we offer, and our ability to innovate to respond to such changes;
- changes in labor, distribution and other operating costs;
- our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us;
- the size of our addressable markets, market share and market trends;
- the outbreak of any communicable diseases or any other public health crisis;
- other factors that may affect our financial condition, liquidity and results of operations; and
- other risk factors discussed under “Item 3. Key Information—D. Risk Factors.”

We caution you that the foregoing list may not contain all of the forward-looking statements made in this annual report. You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this annual report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in “Item 3. Key Information—D. Risk Factors” and elsewhere in this annual report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this annual report. We cannot guarantee that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.



Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this annual report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this annual report to reflect events or circumstances after the date of this annual report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this annual report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Our mission

Fight complexity to empower people in their daily lives



Core values



We want our customers to love us fanatically.



We are hungry and challenge the status quo.



We think and act like owners, not renters.



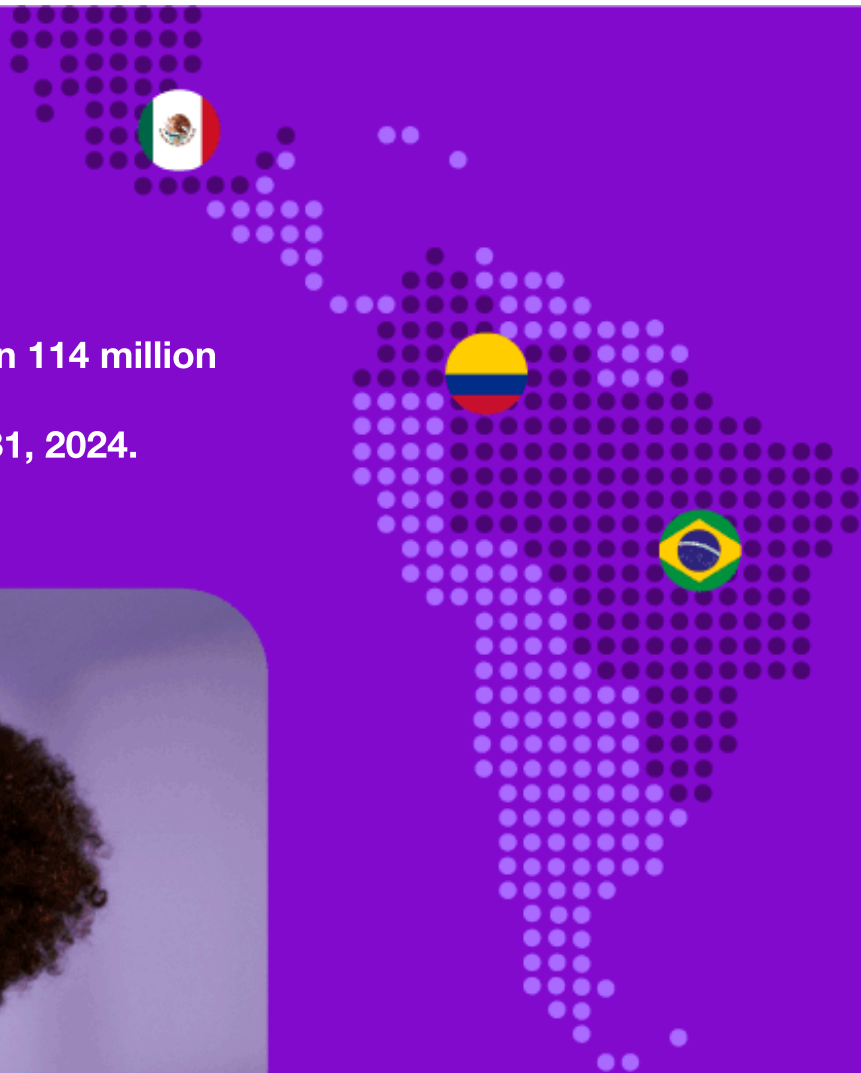
We build strong and diverse teams.

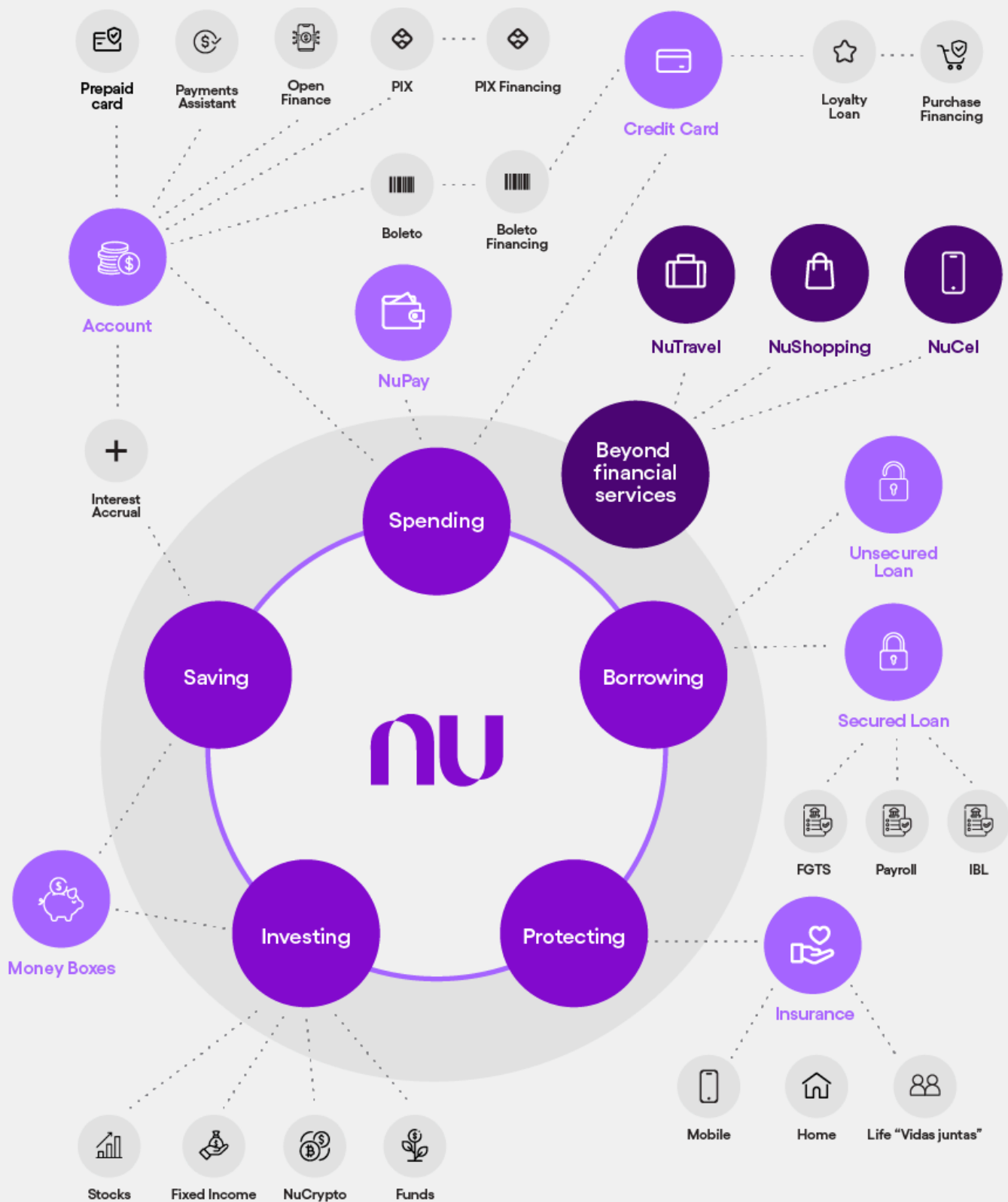


We pursue smart efficiency.

One of the world's largest digital banking platforms

Serving more than 114 million
customers
as of December 31, 2024.



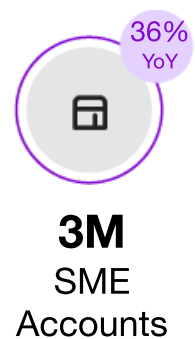
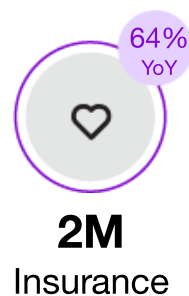
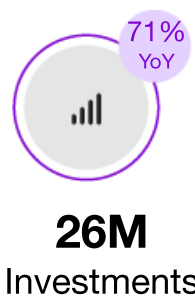
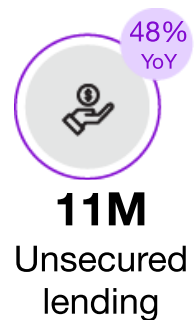
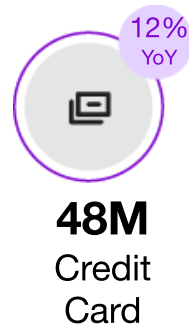
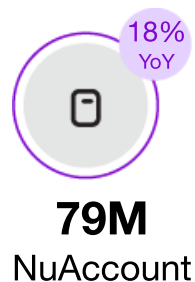


Number of Customers

Customers (MM)



Active customers (Brazil only)



Note 1: Customers data as of December 31, 2024.

Competitive Advantages

We have significant market and leadership advantages

One of the Largest Digital Banking Platforms
First Mover Advantage
Trusted and Recognized Global Brand
World-Class Talent

We have significant operating and financial advantages

- **Extraordinary Customer Experiences**
- **Caring and Effective Customer Support**
- **Proprietary Control and Capabilities from Our Technology Platform**
- **Low Operating Cost**
 - Cost to acquire*
 - Cost to serve*
 - Cost of risk*
 - Cost of funding*
- **Advantaged Unit Economics**
 - Increasing revenue per customer*
 - High customer engagement*
 - Low customer churn*
- **Effective Underwriting and Pricing**



We have significant strategic advantages

Unique Data
Powerful Self-Reinforcing Network Effects
Highly Defensible Business Model

2024 Financial Highlights

US\$11.5B **+58%**
Total Revenue FXN YoY

US\$5.3B **+66%**
Gross Profit FXN YoY

US\$2.0B **+113%**
Net Income FXN YoY

US\$2.2B **+105%**
Adj. Net Income FXN YoY



Monthly
ARPAC (US\$)¹

11.1 **+27% FXN YoY**

Purchase
volume (US\$B)

125.6 **+36% FXN YoY**

Total Gross
Receivables (CC and
Loans) (US\$B)

20.7 **+45% FXN YoY**

Interest-Earning
Portfolio (US\$B)

11.2 **+75% FXN YoY**

Deposits
(US\$B)

28.9 **+55% FXN YoY**

Monthly Cost to
Serve (US\$)²

0.8 **+13% FXN YoY**

Note 1: '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 2: 'Cost to serve' is defined as the monthly average of the sum of transactional expenses, 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).



PART I

Item 4. Information on the company

A. History and Development of the Company

Corporate Information

We were incorporated in the Cayman Islands as an exempted company with limited liability on February 26, 2016. Our registered office is located at c/- Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands, and our telephone number at this address is +1 345 949 2648. Our website address is www.nubank.com.br. Information contained on, or that can be accessed through, our website is not part of, or incorporated by reference into, this annual report, and inclusions of our website address in this annual report are inactive textual references provided only for your informational reference.

Our Nu Journey

We launched Nu to revolutionize financial services for Latin American consumers and small businesses, challenging the status quo of incumbent banks. These banks historically applied homogeneous underwriting methodologies and lacked customer obsession, often resulting in high fees and interest costs for consumers. This approach not only ignored their needs but also excluded a significant portion of the population from the banking system. Brazil, a country with some of the highest banking fees in the world, presented an ideal backdrop to introduce new, customer-centric financial solutions. We saw an opportunity to create a set of fully digital, tailored financial services, focusing initially on credit cards. Through our obsession with customer experience, we sought to help our customers make payments more conveniently, organize their finances better, and improve their use and control of credit.



A Nu Journey Begins

2013 to 2017: The Launch of a Nu Approach to the Market – Reaching over 3 million customers

We began our journey in 2013 with a small team, launching our first product, the Nu Credit Card, in Brazil in 2014. This no-annual-fee, digital-first Mastercard disrupted the Brazilian market, expanding customer reach and providing valuable data for refining our models. Focusing initially on credit cards allowed Nubank to build customer trust, develop proprietary data, and establish a strong market presence.

The strategy of starting with a single product provided a superior user experience and market insights. By tackling the complex credit card sector early on, we earned customer trust with differentiated solutions, gathered extensive data on financial behavior, and created a defensible market position for future expansion into other financial services.

Scaling the Business

2017 to 2018: Growing Beyond Credit Cards—Reaching over 6 million customers

In 2017, we launched NuAccount, a digital financial services solution with free deposits, transfers, and payments, along with a competitive savings feature. The following year, we added a free prepaid card, accessible through the mobile app, making NuAccount a primary banking option for many customers.

Leveraging data from NuAccount users, we refined our credit and other product offerings, enhancing customer lifetime value and maintaining a cost-efficient model. By launching targeted products and monitoring applicant profiles, we effectively converted potential clients into active users, further scaling our customer base.

Expanding Our Breadth & Depth to Nu 3.0

2019 to 2023: Expanding to New Products and New Countries—Reaching 94 million customers

In 2019, Nubank introduced personal loans and business checking accounts for micro-businesses in Brazil, expanding our service offerings and leading to substantial SME customer base growth. Simultaneously, between 2019 and 2020, we initiated our international expansion, replicating our Brazilian strategy by launching our credit card products in Mexico and Colombia.

In 2020, diversifying further, we ventured into insurance and investments, by launching NuLife, a life insurance product seamlessly integrated and distributed through our mobile app in partnership with Chubb Limited, or “Chubb”, a leading global insurance policy underwriter, and by acquiring Easynvest, a leading retail investments platform in Brazil, which we believed to be the largest direct-to-consumer retail investments platform in Brazil at the moment of acquisition.

In 2021, we completed the acquisition of Easynvest and relaunched it under the Nu Investimentos brand with curated features to help our customers invest more easily in the financial markets through our mobile app. We also expanded our product set further with the launch of Ultraviolet, our premium metal credit card for more affluent customers, and credit card for small and medium-sized enterprises. On December 9, 2021, Nubank went public on the New York Stock Exchange (NYSE) raising US\$2.3 billion through its Initial Public Offering (IPO).

In 2022, we launched NuPay, an innovative payment solution for online purchases that allows customers to complete transactions within the Nu app. This functionality offers a more practical and secure experience by enabling customers to pay with their account balances or interest-free installments offered by merchants. That same year, we introduced the Money Boxes, a digital savings platform that enables customers to access more attractive investment alternatives compared to traditional low-yield products, such as savings accounts (*poupança*). We have seen an evolution of our credit card interest-earning assets in Brazil driven by the launch of new features that allow customers to use their credit cards as a means of financing. These features include the ability to finance: 1) bank payment slips (*boletos*); 2) individual purchases in installments; and 3) Pix transfers, in all these cases by using credit card limits.



In 2023, we announced the expansion of our loan products in Brazil by introducing secured credit products, including payroll loans for federal public employees, retirees and pensioners who are beneficiaries of the INSS (the Brazilian National Institute of Social Security); as well as FGTS-backed loans supported by the Brazilian Severance Pay Fund for Length of Service. The expansion of our portfolio enabled us to reach approximately 94 million customers at year-end 2023. As of that date, we served 87.8 million customers in Brazil, 5.2 million in Mexico, and more than 800,000 in Colombia.

Moreover, in 2023, Nubank ranked fourth in Brazil among financial institutions, based on the number of customers, according to data from the Central Bank of Brazil. We launched over 45 new products and features during the year, supporting financial inclusion and helping customers better manage their finances — including budgeting, investing, credit usage, and small business operations, aiming to help Brazilians improve financial control and organization, to invest, to use our credit cards effectively, to achieve financial goals, and to better manage their businesses.

During 2023, we also launched checking accounts in Mexico, reaching one million accounts within just one month. We also introduced personal loans, which we believe will help us deepen customer relationships while continuing to strengthen our deposit franchise and credit portfolio in the country.

2024: Expanding Nu's platform, increasing market share across core products, and driving deeper monetization of our existing customer base - Surpassing 114 million customers

In 2024, we continued to advance our mission to fight complexity and empower customers. Our consistent execution and customer-centric approach drove meaningful growth across our three geographies. As of December 31, 2024, we served over 114 million customers, with nearly 95 million classified as active.

In Brazil, we exceeded the milestone of 100 million customers, adding over 1 million new customers per month. We serve 58% of the population, further solidifying our position as the third-largest financial institution in the country in number of customers, according to BCB data.

In secured loans, we signed nine new agreements with public-sector collateral counterparties, expanding our total addressable market for payroll loans to approximately 70% of the segment, according to data from *Portal da Transparência*, *Atlas* and *BCB*. We also launched Working Capital, our first credit solution for small and medium-sized companies (SMEs), enabling entrepreneurs to access tailored lines of credit to support daily cash needs or other business demands.

To deepen our customer value proposition, we introduced Nubank+, an evolution of the Nu experience, offering additional benefits such as cashback, streaming in partnership with Max, free withdrawals, and other premium services.



In Mexico, we reached the milestone of 10 million customers, reinforcing Nu's strong growth trajectory in the country. Meanwhile, in Colombia our customer base expanded to 2.5 million customers, continuing its positive momentum following the launch of the Nu Cuenta product.

NuMarketplace surpassed 1.0 million customers shopping on our platform throughout the year ended December 31, 2024. We also launched NuTravel, a travel booking solution embedded within the Nu app that enables customers to plan and pay for their trips seamlessly and securely within the app, with guaranteed best pricing, and the convenience of bundling with a Multi-Currency Account. Additionally, we introduced NuCel, our Mobile Virtual Network Operator (MVNO) service in partnership with Claro, further diversifying our offerings, strengthening the breadth of Nu’s ecosystem, and expanding our addressable market.

In parallel with customer growth, we continued to strengthen our deposit franchise, particularly in Mexico and Colombia. Total deposits increased 55% year-on-year on a FX-neutral basis to US\$28.9 billion dollars, while our interest-earning portfolio expanded 75% to US\$11.2 billion, also on an FX-neutral basis. We have maintained our high growth trajectory, while significantly strengthening our financial results, underscoring the efficiency and compounding power of our business model. Revenues grew 58% year-over-year on a FX-neutral basis, to US\$11.5 billion dollars in 2024. Notably, net income almost doubled from 2023 to close at US\$2.0 billion in the year ended December 31, 2024.

For information regarding our capital expenditures and divestitures, if any, see “Item 5. Operating and Financial Review and Prospects.”

B. Business Overview

Overview

Our Mission and Vision

Our mission is to fight complexity to empower people in their daily lives by providing accessible, affordable, and easy-to-use financial products. In 2013, we began our journey by disrupting the financial services market in Latin America, starting in Brazil, followed by Mexico and Colombia. This market opportunity encompasses approximately 658 million people in Latin America according to the World Bank, many of whom we believe are underbanked and deeply unsatisfied with their legacy bank relationships, or are completely unbanked.

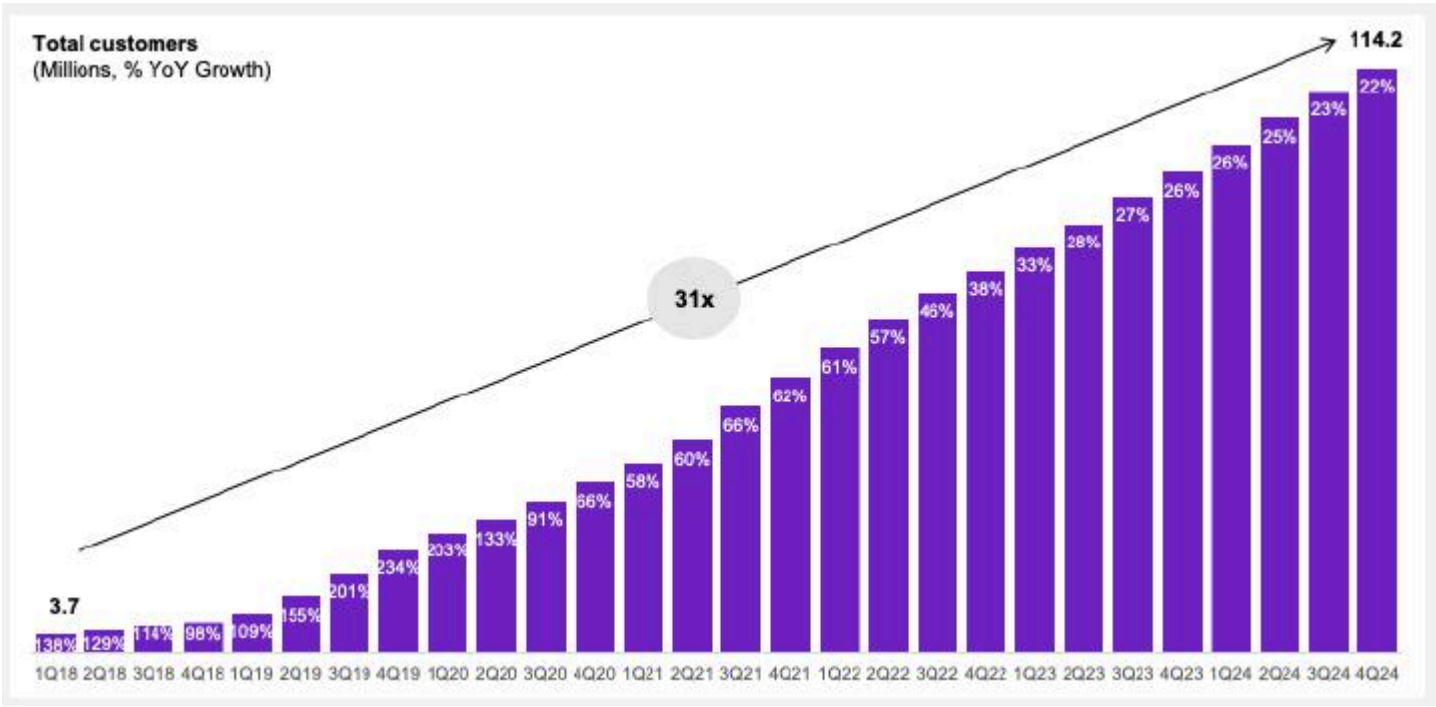
We are in the early stages of a technology company that is revolutionizing a broad range of services by putting the customer at the center of their strategies and designing experiences based on mobile-first and cloud-based models. We believe that new technology-driven companies can capture market share from legacy providers across all industries, expand the size of addressable opportunities, and operate with superior economics. We also believe there is a significant opportunity to use the latest technologies and business practices to create for individual consumers and SMEs new and more user-friendly experiences that are simple, intuitive, convenient, low-cost, empowering and human.

To date, we have made substantial strides with our Money Platform, which comprehensively supports users through what we call the 'Five Financial Seasons': spending, saving, investing, protecting, and borrowing. The platform is designed to seamlessly integrate each of these aspects into our customers' financial wellbeing and enhance it.



Welcome to Nu

We believe Nu is one of the world’s largest digital financial services platforms, and one of the leading technology companies in the world, with 114.2 million customers across Brazil, Mexico and Colombia as of December 31, 2024, a potential unlocked by our member-get-member referral program.



Our business is based on four core principles: (1) having a customer-centric culture; (2) prioritizing human-centric design, products, services and interactions to create extraordinary customer experiences; (3) developing advanced proprietary technologies built from the ground up by some of the best engineering talent from around the world; and (4) leveraging data science and powerful proprietary models that support every aspect of our business. We combine these principles to create a self-reinforcing business model that enables us to serve our ecosystem of customers and partners more effectively as we grow to create significant impact for our stakeholders and sustainable competitive advantages in the marketplace. Together, these have compounded since Nu was founded, to produce:

- **A Digital Financial Services Leader** – As of December 31, 2024, we had 114.2 million customers. In Brazil we had 101.8 million customers, which represented approximately 58% of the country’s population aged 18 and above. BCB data shows that in 2024, our Brazilian customer base growth outperformed the five largest incumbent banks combined, further consolidating our position as the third-largest financial institution in the country in terms of number of customers, according to BCB. In Mexico, our growth momentum continued, with our customer base surpassing 10 million. With 5.6 million credit card customers, Nu emerged as the leading credit card issuer in the country from January through October 2024, according to data from the CNBV. Lastly, after launching our Conta product in Colombia, deposits reached US\$1.3 billion, placing us among the country’s top five financial institutions based on demand deposits for individuals.

- **One of the Most Loved Companies and Trusted Brands** – Nu was recognized by Time Magazine as the Best Brand in Brazil for the year 2024 and was awarded for the eighth consecutive year in the Digital Banks and Cards category of the Reclame Aqui Award, the leading consumer service evaluation platform in Brazil. In 2024, Nu was also ranked among the top institutions in Forbes' World's Best Banks for the sixth year, securing the number one spot in Brazil and Mexico, and was included for the fourth time in Fast Company's World's Most Innovative Companies list, securing the number one spot in the Latin America category and 22nd place in the magazine's global ranking. In addition, Nu's brand was recognized as the strongest brand in Brazil by Brand Finance, and one of the most valuable by Kantar and Interbrand in 2024. Nu's executives were also highlighted in relevant lists during 2024: David Vélez, Cristina Junqueira, Livia Chanes, and Iván Canales are among the most influential people in Latin America, according to Bloomberg Línea, and Cristina Junqueira was ranked by the Financial Times among the 25 Most Influential Women of the year. In 2024, Nu and its executives earned over 40 global awards and recognitions across more than 70 categories, reinforcing its leadership position in innovation, customer experience, and impact.
- **A Powerful and Expanding Ecosystem of Solutions and Services across the Five Financial Seasons** – We have developed a suite of proprietary financial solutions designed to create superior experiences across the Five Financial Seasons of our customers:
 - Spending with our credit and prepaid cards, QR code-based and Pix instant payment arrangements, WhatsApp Pay, traditional wire transfers, and an array of different solutions to help customers optimize their sending through our marketplace, NuTravel and NuCel;
 - Saving with our Nu personal and business accounts, as well as through Money Boxes;
 - Investing through our direct-to-consumer digital investment platform;
 - Borrowing with our transparent, easy-to-manage credit cards, as well as secured and unsecured loans, all with limits that grow over time as users build their credit histories with us; and
 - Protecting through the distribution of insurance solutions for mobile devices, life and home.
- **A Highly Engaged and Loyal Customer Base** – We believe we have built a solid reputation with our customers for being trustworthy and reliable. We (1) acquired a significant part of our customers organically since our inception, either through word-of-mouth or direct unpaid referrals from existing customers without incurring direct marketing expenses; (2) scored an NPS that we believe far exceeds incumbent banks and all other major local financial technology companies; and (3) became the primary banking relationship for over 61% of our active customers, as of December 31, 2024. We consider ourselves the primary banking relationship for active customers who had at least 50% of their post-tax monthly income transferred out of their NuAccount in any given month. For more information on how we calculate organic customer growth and primary banking relationships, see “Glossary of Terms.”
- **Advantaged Unit Economics** – We operate with favorable unit economics, as demonstrated by our ability to recover our Customer Acquisition Cost, or “CAC”, with cumulative contribution margins in less than 12 months on average, while continuing to expand revenue and contribution margins significantly thereafter. We measure our customer acquisition efficiency by comparing the LTV, or “Lifetime value” of acquired customers, to the CAC of these customers to calculate an “LTV/CAC ratio”, which we estimate to be greater than 30x. We believe these strong economics are supported by our ability to:



- **Acquire customers organically at a low CAC:** Our CAC is on average US\$7.0 per customer,¹ of which paid marketing accounts for approximately 31%. Based on our internal research and publicly available information, we believe our CAC is one of the lowest across consumer Fintech companies and incumbent banks, supported by our referral network. In addition, we believe our organic customer acquisition model is among the best-in-class models, as evidenced by the fact that we have acquired approximately 80% of our customers organically on average per year since our inception.
- **Increase Monthly ARPAC:** For the three months ended December 31, 2024, our consolidated Monthly ARPAC was approximately US\$10.7. For customers who were active across our core products, which include our credit card, NuAccount and personal loans, our Monthly ARPAC averaged US\$11.1 for the year ended December 31, 2024. We estimate that ARPAC for incumbent banks in Brazil was approximately 3.8x higher than ours in 2024. This calculation is based on product mix and prices, and assumes an estimated average active customer base for certain incumbent financial institutions that do not report this metric. We estimated the number of active customers at each incumbent financial institution using publicly available information and internal analysis.

We believe we can increase our Monthly ARPAC meaningfully over time by (1) capturing greater share-of-wallet across our customers using existing products; and (2) cross-selling additional products to existing customers.
- **Our World-Class Talent** – Our employees represent over 50 different nationalities and bring experience in scaling some of the largest technology and financial services companies in the world. We believe our culture, mission and commitment to innovation has helped us become a hub of the best engineering talent, not only in the region, but also globally.
- **Compounding Growth at Scale** – In 2024, we demonstrated the benefits derived from the scalability of our products, delivering top-line growth with profitability by understanding that maintaining low costs is crucial to have a competitive edge. From January 2018 to December 2024, we expanded our customer base by more than 110 million customers, achieving this growth with minimal CAC. Additionally, we consistently managed to keep our cost-to-serve below the dollar level between January 2021 and 2024, and have outperformed broader credit card market underwriting standards in most of the customer groups classified by risk band, based on Equifax | Boa Vista analysis. More details about this analysis are available under Our Competitive Strengths and Advantages / Effective Underwriting and Pricing.
- **Full Regulatory Compliance and Cooperation** – We are committed to open, collaborative and transparent relationships with public officials, as we work to improve how people are served by the financial sector. Over the past several years, Nu has been active in some of the latest landmark regulations for Latin America’s financial system. For example: Brazil’s real-time payment system Pix, open finance, salary portability, cybersecurity, fraud prevention, revolving cap, and other aspects of the country’s financial system. By applying our values to regulatory proposals, we believe we can help shape a more competitive landscape in Latin America’s financial sector. Through this process, we believe we have established a positive reputation as well as an open and collaborative relationship with regulators in the countries where we operate.

¹ Customer Acquisition Cost, or CAC, consists of the following expenses: printing and shipping of a card, credit data costs (primarily consisting of credit bureau costs) and paid marketing. CAC is calculated as the sum of those costs from January 2019 to December 2024 on an FX neutral basis, divided by the total number of card issuances that same period (that is, number of unique customers acquired during that period).

- **Financial Inclusion** – Our business reaches people in 100% of Brazil’s municipalities, in line with our mission to provide financial access and literacy, which we view as crucial to inclusive economic growth and sustainable development. We estimate that in the last five years (until December 31, 2024), Nubank has made it possible for around 20 million Brazilians with no credit history to have access to a credit card.

Mexico has traditionally been a country with a very low level of financial inclusion. According to INEGI’s ENIF 2024 (National Survey of Financial Inclusion), 63% of the adult population in the country had a bank account, approximately 37.3% had access to formal credit, and only approximately 15.7% had a credit card in the banking system. According to 2024 information from CNBV, the number of accounts in Mexico had increased by 26% since 2021 and Sofipos accounted for 18% of the total, which also includes banks. Since entering the country, we have understood that the main reason for the low levels of financial inclusion, especially in credit products, was not a lack of demand but lack of appropriate supply. We believe that around 48% of our customers in the country didn't have a credit card before ours.

Our Attractive Opportunity

Within Latin America and the Caribbean, we currently serve Brazil, Mexico and Colombia, countries that collectively accounted for over 61% of the population and 68% of the GDP in the region in 2024, according to IMF forecasts, and that provide a fertile opportunity for our services due to several attractive attributes and market characteristics, including:

- **Meaningful Pain Points in the Market** – Financial services consumers in our markets suffer from real pain points, which gives us a significant opportunity to provide them with solutions to these pain points. The five largest incumbent banks, in terms of deposits and outstanding credit portfolios, to consumers in Brazil, Mexico and Colombia, which on average hold between 65% and 81% of all loans and deposits across all segments, charge high fees, based on data from these countries’ respective Central Banks, as of December 31, 2024.
- **Powerful Secular Trends** – The Latin American region is benefiting from several positive secular trends that align well with our business, including a strong technology adoption rate and high mobile app usage. This trend is driven by a young population, a growing middle class, and high smartphone adoption rates, especially in Brazil, Mexico, and Colombia. Additionally, regulators in the region are promoting innovation and competition in the financial services sector, creating more opportunities for us to disrupt traditional providers with our innovative business models and mobile app solutions.
- **Significant Penetration Opportunities** – Financial services in Latin America still offer a significant penetration opportunity ahead, as the electronic payments and consumer credit segments continue to spread across the region while still being materially below current penetration levels in the United States and the United Kingdom, based on available data gathered from the World Bank and the Bank for International Settlements (BIS). For example, in Brazil, Mexico and Colombia there is: (1) a large unbanked population consisting of 96 million adults in aggregate, according to our estimates; (2) low credit card adoption rates of 52% in Brazil as of 2022, according to the country’s Central Bank, 10.5% in Mexico, considering credit cards issued by banks only (and 25% when including those issued by retailers), and 22.2% in Colombia as of 2024, according to the SFC, as compared to 66% in the United States and 62% in the United Kingdom; (3) limited household debt as a percentage of GDP, at 36%, 17% and 27% in Brazil, Mexico and Colombia, respectively, compared to 68% in developed markets (consisting of the median in the United Kingdom, the United States, Spain, Japan, France and others), according to June 2024 data from the BIS.

Our Go-to-Market Approach

We have a large customer base of 109.5 million individual consumers and 4.7 million small businesses, as of December 31, 2024.

Our customers come from different backgrounds in terms of income, age and geographic location, similar to the overall population of the markets we serve. We believe we serve more younger customers than traditional banks, giving us the opportunity to grow with them as their financial needs change over time.

We go to market, serve and support our customers through an all-digital, cloud-based model that is low-cost and highly efficient without the need for expensive real estate and physical bank branches. We market and sell our solutions and services online by (1) prioritizing high-quality customer experiences to drive organic word-of-mouth advertising and customer referrals; (2) fostering our social media presence and developing digital content to drive awareness, education and engagement; and (3) making select investments in marketing and promotional campaigns when returns are attractive to further accelerate customer adoption.

We operate with significant competitive advantages that we believe have helped us grow rapidly. For example, we have increased our Monthly ARPAC by growing our portfolio and driving the adoption of multiple products, increased our customer retention through our focus on strong customer engagement and satisfaction, and increased our position as the primary banking relationship for our customers. As a result, we have increased the lifetime value of our customer relationships. Our approach has also enabled us to generate operating efficiencies, including a low cost to acquire new customers, a low cost to serve our customers, a low cost of risk, and a low cost of funding.

We earn revenue from two main sources: fees and interest income. Fees include fees and commissions related to credit and prepaid card transactions, payments, loyalty programs, prepaid mobile phone top-ups, as well as the marketplace for and distribution of certain financial products and services, such as investments, insurance, and remittance products. Interest income is related to interest charged on revolving and refinanced credit card balances, purchases of credit card receivables and loans to customers, as well as interest earned on deposits, government bonds and other interest-earning instruments assets. For the year ended December 31, 2024, 16% of our total revenue was earned through fee and commission income, which comes mostly from interchange fees and is not directly charged to the customer. For the year ended December 31, 2024, we reported US\$11.5 billion in total revenue, and US\$5.3 billion in gross profit, representing year-over-year increases of 43.4% and 50.5%, respectively, versus the year ended December 31, 2023, or year-over-year increases of 57.6% and 65.3%, respectively, when computed on an FX Neutral basis. For the year ended December 31, 2023, we reported US\$8.0 billion in total revenue, and US\$3.5 billion in gross profit, representing year-over-year increases of 67.5% and 110.0%, respectively, versus the year ended December 31, 2022, or year-over-year increases of 62.5% and 103.6%, respectively, when computed on an FX Neutral basis. A reconciliation of our FX Neutral revenue and gross profit to the IFRS measures of these metrics can be found under “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Non-IFRS Financial Measures and Reconciliations.”



Our Unique Approach

We are building our business using a unique approach that combines our four core principles to create a self-reinforcing business model that helps us nurture and grow our expanding ecosystem of individual consumers, SMEs and marketplace partners. These core principles are:

Customer-Centric Culture

Since our company was founded, we have intentionally and consistently cultivated an obsession with delighting our customers. This culture is central to achieving our mission, as we remain vigilant in preserving and nurturing it. The core values of our culture are:

- We create a deep emotional connection with our customers by providing delightful experiences and empowering them to take control of their financial lives.
- We cultivate a culture of ownership among our employees, with many of them having a financial stake in the company.
- We constantly challenge the status quo and strive for innovation and growth.
- We prioritize efficiency to minimize waste and provide services at lower costs for our customers.
- Lastly, we believe in the power of diverse teams, as they foster creativity and innovation in serving our local markets.

Extraordinary Customer Experiences

We aim to deliver simple, easy-to-use products, seamlessly integrated through our Nu mobile application and backed up by our team of Xpeer customer support specialists. This is driven by:

- Prioritizing mobile and digital-first products, focusing on creating cloud-based mobile apps that provide a modern digital experience across all devices.
- Products that are designed to be simple, transparent, accessible, and easy to use for our customers.
- Using a human-centered design approach to provide a high-quality and intuitive experience in everything we offer.
- Our Nu mobile app seeks to seamlessly integrate all our products and services, providing customers with easy access.
- A dedicated team of customer service agents called "Xpeers", who continuously enhance the customer experience and contribute to product development using proprietary software and AI algorithms.



For additional information regarding our use of AI algorithms, see “Item 1. Information on the Company—NuCore Technology Platform.”

Advanced Technology

We use advanced technologies and modern tools to deliver a superior experience for our customers in a hyper-scalable and secure environment. We prioritize building our own architecture and investing in engineering talent. The key components of our technology include:

- Our proprietary cloud-based core banking platform called NuCore, which enables us to efficiently manage various functions crucial to our operations, including transaction processing, regulatory reporting, customer services, and fraud prevention.
- This platform gives us the agility and control to optimize our products and meet the unique needs of our markets.
- A microservices approach that we employ, utilizing around 500 modular microservices to scale, introduce new products, and expand into new markets.
- Our advanced technology strategies, including an immutable ledger and the use of the Clojure programming language, have attracted top software engineers from around the world, enabling us to develop innovative solutions and maintain a strong development team.

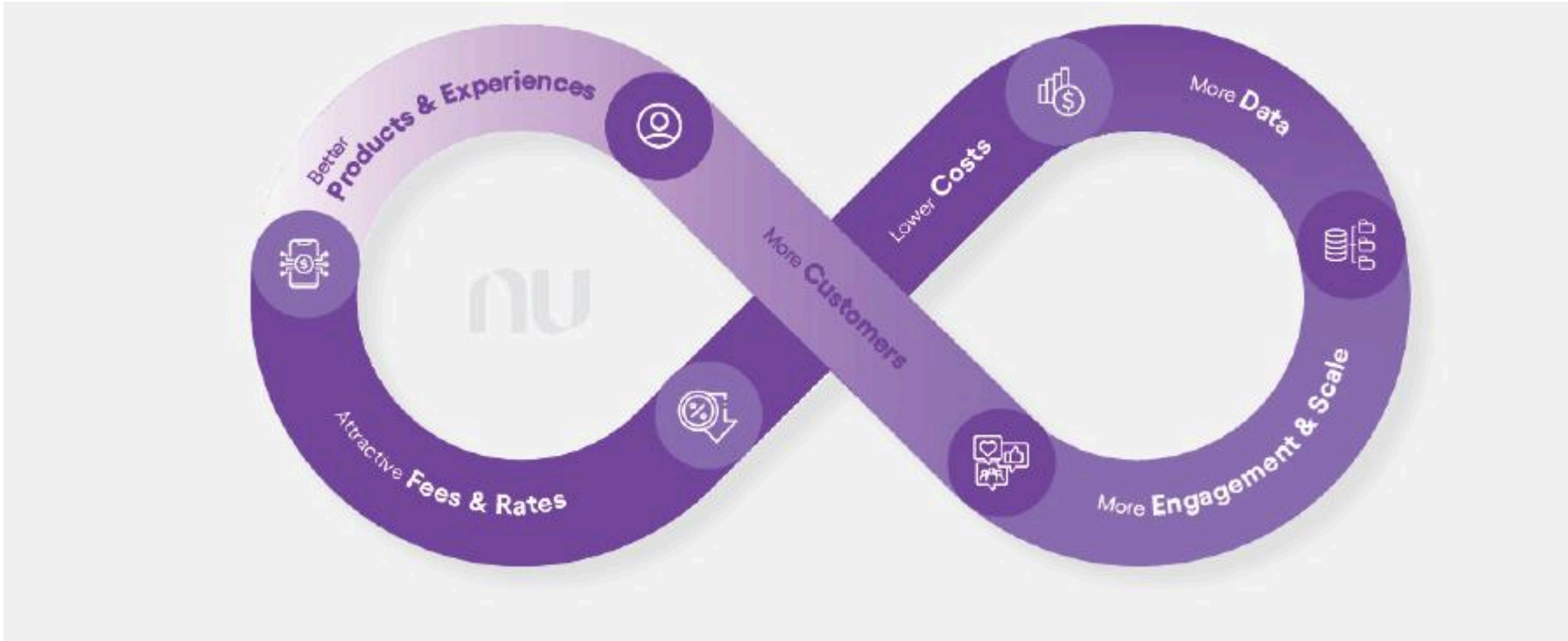
Proprietary Data Science

We acquire, store and analyze an enormous amount of data that we use to inform our decision-making, reduce risks and improve the customer experience. This provides us with significant advantages and ways to add differentiated value to our customers, such as our proprietary NuX credit engine. Our data science strategy consists of:

- Access to a proprietary data set consisting of over 30,000 data points on each monthly active customer, which helps us understand their behavior, risks, and financial needs.
- This data strengthens our NuX credit engine and machine learning models, enabling us to offer personalized credit strategies tailored to each customer's unique situation.
- Artificial intelligence and machine learning algorithms that continually enhance our underwriting, risk management, and customer experience.
- Integrating all data within our Nu Ecosystem, enabling us to algorithmically recommend products in real-time that align with specific customer needs throughout their financial journey.

Our Self-Reinforcing Model

Our self-reinforcing business model, illustrated below, includes seven key elements that we combine to serve our customers more effectively, generate competitive advantages, nurture and grow our ecosystem, and create shareholder value.



The seven elements of our model include:

- A. More Customers** – Our most significant source of marketing is word-of-mouth recommendations from existing customers, which has resulted in viral organic customer acquisition and high retention. This leads to:
- B. More Engagement and Scale** – Our customers increase their engagement with and use of our high frequency and essential solutions or adopt any of our new solutions. This leads to:
- C. More Data** – We gather data from each customer and each transaction. The data compound in value as we grow and drive our artificial intelligence and machine learning algorithms to improve everything we do. This leads to:
- D. Lower Costs** – We use our growing data sets to make smarter underwriting decisions, continuously improve customer segmentation and optimize business operations, which can improve efficiencies. This leads to:
- E. Attractive Fees and Rates** – We use our greater insights, efficiencies and cost savings to offer customers products with attractive fees and rates, as we better understand their total risk profile and optimize our own operations. This leads to:
- F. Better Products and Experiences** – We can also use our greater insights and efficiencies to improve our product design, optimize the customer experience and develop new features. This leads to:
- G. A Growing Nu Ecosystem** – Our ecosystem includes our 114.2 million customers, composed of individual consumers and SMEs, and a growing number of marketplace partners who we collaborate with to offer attractive solutions beyond our core capabilities.

Our self-reinforcing model and execution have resulted in a large and vibrant community of customers, consisting of (1) individual consumers across all social classes and ages, and (2) SMEs, including small businesses and entrepreneurs that help fuel the economy. These customers, combined with a growing set of products that they love, a network of third-party vendors and service providers, and a substantial media following, form our large and expanding Nu ecosystem:



Our Market

Our Market Opportunity

Latin America is a large and dynamic region, with a total population of 658 million people and a GDP of US\$6.7 trillion in 2024, projected to have grown by 2.1% in real terms in 2024, according to the IMF. We currently operate in Brazil, Mexico and Colombia, which collectively represented 61% of the population and 68% of the region’s GDP in 2024, also according to IMF data.

Our primary goal is to increase our presence in these markets by growing our customer base, launching new products and continuing to gain relevance in our customers’ financial lives.

Over time we aim to expand our presence to additional markets in Latin America, as consumers and SMEs have faced for too long banking systems with substantial challenges that create market inefficiencies and opportunities for disruption. We believe penetration of these markets remains low in terms of financial services relative to developed countries, as demonstrated by the large number of adults that are still unbanked, the relatively low level of indebtedness of households, and low adoption rates of credit cards in comparison to other payment methods.



Our Serviceable Addressable Market, or “SAM”, encompasses the retail financial services, as well as marketplace and mobile services, that we currently provide in Brazil. This includes revenue from the following services:

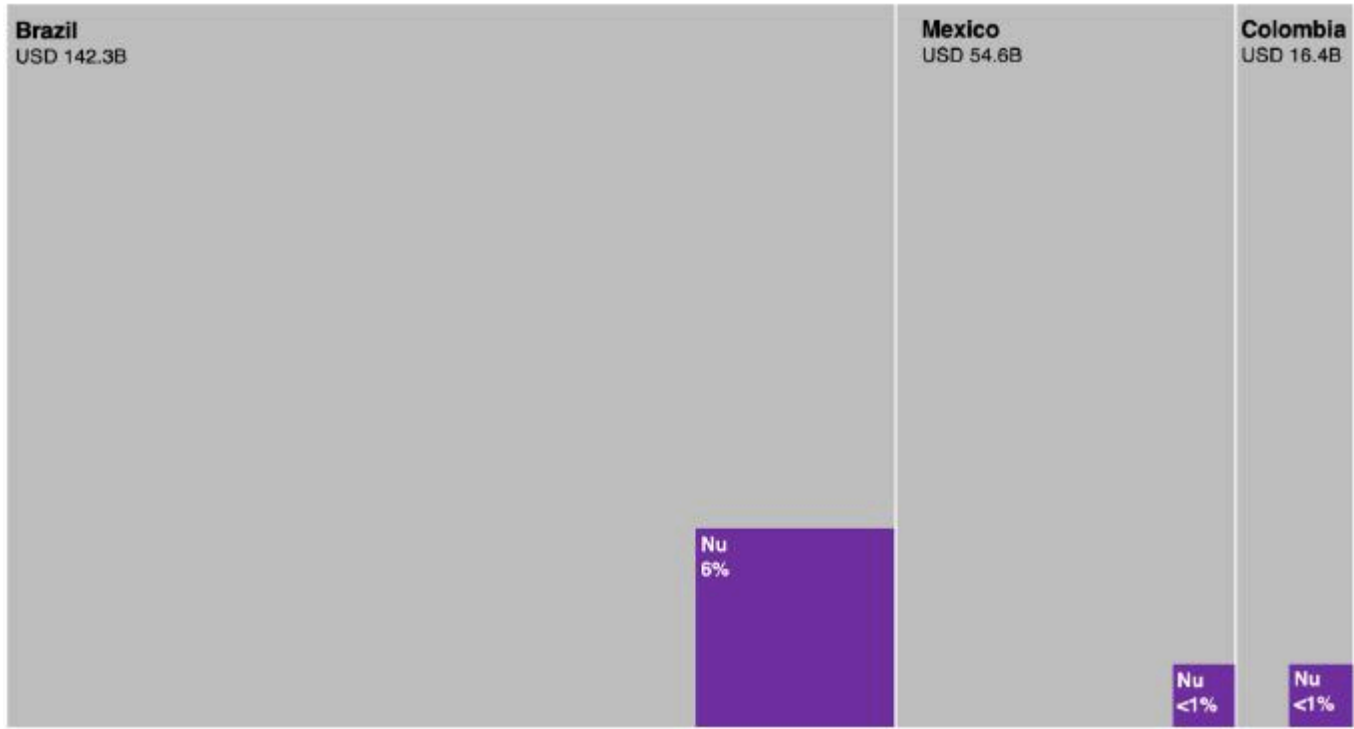
- Retail credit (including secured and unsecured personal loans, auto loans, credit card financing and revolving credit), defined as interest income net of funding costs and credit charges;
- SME credit, defined as interest income net of funding costs and credit charges;
- Payments, defined as prepaid and prepaid and credit interchange fees;
- Customer assets, including brokerage fees on securities, private pensions, savings accounts and investment funds, and interest revenue net of yields on customer deposits;
- Insurance brokerage, defined as fees from distribution of Life and Property & Casualty, or “P&C”, insurance products;



- E-commerce marketplace, defined as fees from gross merchandise volume;
- Acquiring and services fees, defined as discount rates on merchant transactions and account-related transaction fees; and
- Mobile virtual network operator service, including a voice package for local and long-distance calls and broadband internet access.

The revenue potential of retail financial services in Brazil, Mexico and Colombia, measured as revenues from interest income and service fees minus funding costs, totaled US\$213.3 billion in 2024, growing 2% (9% on a FX-neutral basis) relative to 2023, according to our internal analysis based on publicly available information. Our market share for the year ended December 31, 2024 reached approximately 4% of SAM, demonstrating the massive opportunity ahead.

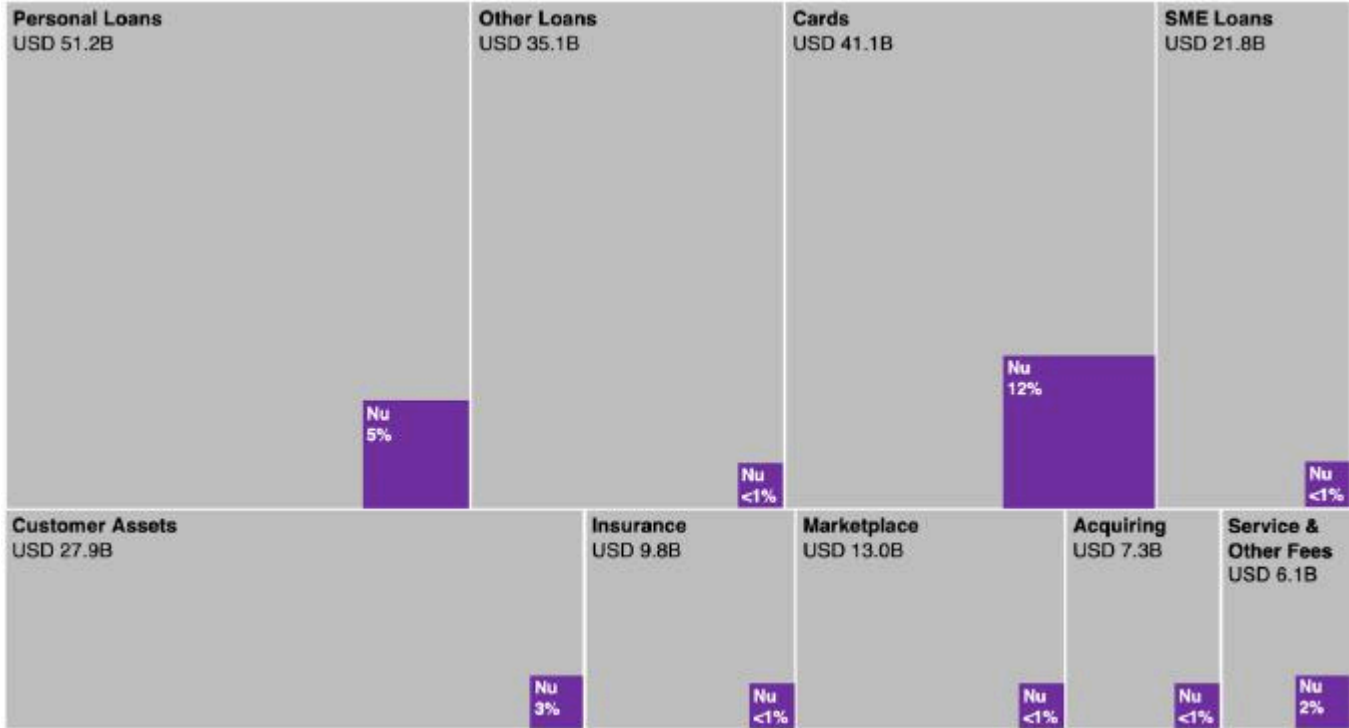
Brazil, Mexico and Colombia Estimated Financial Retail Industry Revenue 2024



Sources: internal estimates based on public sources (BCB, Anbima, Abecs, Susep, CNSeg, Abcomm, Banxico, CNBV, Condusef, CNFS, Banco de la Republica, SFC, Asofiduciarias, Fasescolda, CCCE, others).



Interest and Fee Income Breakdown by Product Category and Nu's Market Share (US\$ billion)



Sources: internal estimates based on public sources (BCB, Anbima, Abecs, Susep, CNSeg, Abcomm, Banxico, CNBV, Condusef, CNFS, Banco de la Republica, SFC, Asofiduciarias, Fasecolda, CCCE, others).

For more information regarding our market opportunity, please refer to “—Deep Dive on Our Industry Background and Market Opportunity”.

Industry Background – the Latin American Financial Services Industry is ready to be reinvented

Consumers and SMEs in Latin America have long faced a banking system with substantial challenges that create attractive opportunities for disruptors like Nu, including:

- **Concentrated Banking Sector with a Lack of Competition** – The banking sector in Latin America and the three markets where we operate is more concentrated in comparison to several advanced markets. According to the Herfindahl–Hirschman Index, measuring the concentration on a scale from 0 to 10,000, where the lower the index the less concentrated the market, Brazil, Mexico and Colombia posted indexes of 883, 1,008 and 1,243, respectively - significantly higher than the indexes of the United States (350), Germany (323) and France (567), as of 2023 and 2024, according to data from the BCB, CNBV, SFC and the European Central Bank in 2023 and 2024. Consequently, Latin America has long suffered from a lack of competition: less innovation, limited selection of products and services, and higher fees. While this concentration has enabled large incumbent banks to maintain their status quo, it has also created a fertile environment for disruption by market entrants who can use advanced technology, better data, and superior customer service to win market share.
- **High Cost to Serve** – Incumbent banks in Brazil, Mexico and Colombia have vast and expensive branch distribution networks supported by large workforces and legacy systems. As of December 2024, the main incumbents in Brazil are reported to have 2,264 to 6,003 branches and service points, and 55,646 to 86,574 employees each. We believe that the aforementioned structure results in higher cost to serve, and induces traditional players to sell high-margin products, excluding a large segment of the population from the financial system. We estimate that in Brazil, our cost to serve and general and administrative expenses per active customer are approximately 85% lower than those of incumbents, based on their publicly available financial statements for the year ended December 31, 2024.

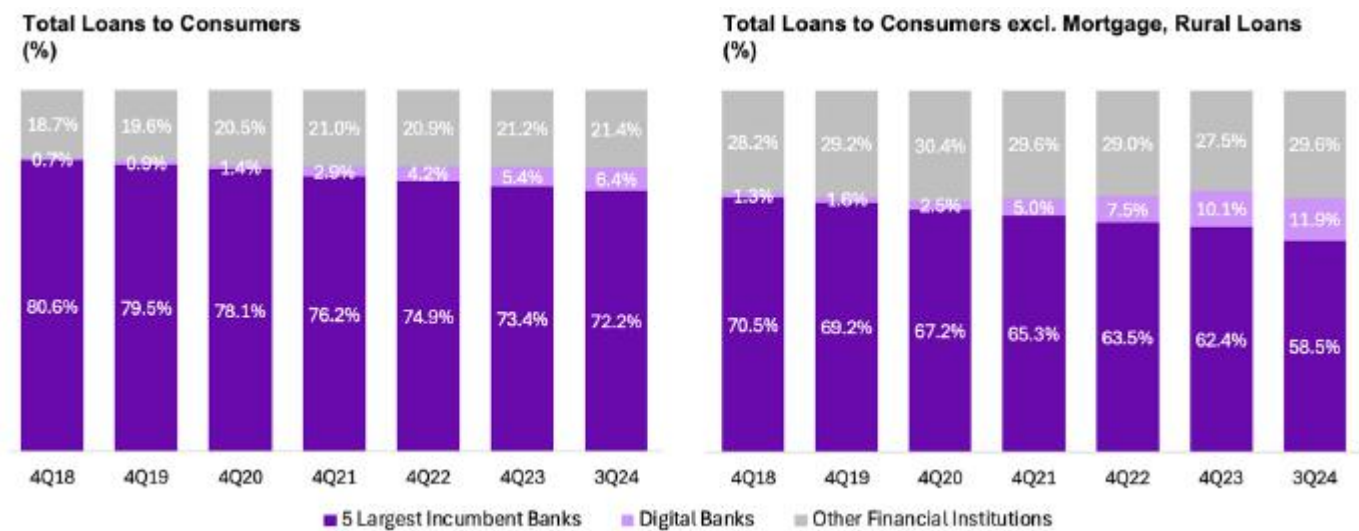
- Poor Customer Service and Lack of Trust** – We believe incumbent banks in Latin America, due to the lack of competition, provide poor customer service, resulting in dissatisfied consumers. Our obsession with customer-centricity enabled us to scale with NPS levels which we believe were significantly higher than competitors in the countries where we operate, according to internal analyses. We believe our levels exceed not only those of incumbents, but also other major local financial technology companies. We are consistently recognized for our customer service, and—based on the latest publicly available information from BCB—we compare favorably to our competitors, having the fewest customer complaints relative to customer base size as of December 31, 2024.
- Significantly Underpenetrated Market** – The Latin American banking sector remains significantly underpenetrated due to prohibitively high costs for financial services. According to a study from the Inter American Development Bank (IDB), one of the most cited reasons for not having a bank account is that opening and maintaining accounts is too expensive. According to the latest available World Bank data, 16.0% of the 169.3 million people aged 15 and above in Brazil did not have a bank account as of 2021; this compares to 44.0% of the 39.2 million people aged 15 and above for Colombia, according to the same data; and in Mexico 37% of the 86.6 million people aged between 18 and 70 years old did not have a bank account as of 2021, according to INEGI’s ENIF (National Survey of Financial Inclusion). All of this highlights that, as of 2024, these three countries collectively held 96 million unbanked adults. Additionally, aggregate household debt in Latin American economies averaged between 17% and 36% of GDP as of June 30, 2024, according to the Bank of International Settlements, or “BIS”, data, compared to an average of 72% of GDP in advanced economies and 34% of GDP in emerging economies as of 2024. Lastly, credit card penetration in Brazil and Colombia stood at 40% and 13% of the population aged 15 and above, respectively, compared to 67% in the United States and 62% in the United Kingdom, according to World Bank’s most recent data from 2021. In Mexico, credit card penetration stood at 15.7%, considering those issued by banks, and 22.6% considering retailers, of the population aged between 18 and 70 years old, according to the INEGI’s ENIF 2024 report.

Trends Accelerating Industry Disruption

We believe the region remains open to disruption from entrants who can use advanced technology, better data, and superior customer service. We also believe that we have the potential to change the landscape in Latin America by offering both low-cost and high-quality financial services, materially increasing socioeconomic development and the addressable market for financial services.

We believe significant challenges and trends have already begun to encourage consumers to increasingly look to digital financial services platforms to fulfill their day-to-day banking needs. According to our own internal analysis based on BCB data, the share of total outstanding loans to individuals held by digital banks has increased from below 1% in 2018 to above 6% as of September 2024. When excluding certain earmarked loans, such as mortgages and rural activity financing, the share of digital banks reached almost 12% as of September 2024.

Breakdown of Loans to Consumers in Brazil by the Type of Financial Institutions (%)



Several factors are driving this shift away from incumbents:

- Technological Innovation and Growing Payment Volumes** – We believe technological innovation, such as Pix in Brazil and CoDi in Mexico, will translate into sustained growth in electronic payments volumes. The GSMA’s “The Mobile Economy Latin America 2024” report forecasts that the region can reach 92% smartphone penetration by 2030, which should foster technology inclusion. Launched in October 2020, Pix rapidly expanded to a total 163 million unique users in Brazil in 2024, and transaction volumes reached US\$4.9 trillion, a 54% FX-neutral increase over 2023. Purchase Volume in credit, debit and prepaid cards in 2024 totaled US\$768 billion in Brazil, growth of 167% relative to 2018 levels, according to ABECS in local currency; US\$316 billion in Mexico, or 160% growth relative to 2018 according to Banxico and in local currency; and US\$60 billion in Colombia, an increase of 107% compared to 2018, according to the SFC and in local currency.
- Shift from Savings to Higher-Yield Investments** – In our view, superior customer experiences and low-cost, open platform distribution models employed by direct-to-consumer independent brokers will continue to gain market share. We also believe that improving levels of financial education combined with middle-class expansion and lower interest rates in the long term can contribute to the shift of Brazilian retail investors away from savings products towards higher-yield investments such as fixed income investments and equities.
- Favorable Regulatory Environment** – Regulators in Latin America are promoting several initiatives to foster financial technology disruption to increase competition and financial inclusion. For example, in 2020, the Central Bank of Brazil rolled out its plan to enable Open Finance while launching Pix, an instant payment tool. In Mexico, the 2018 Financial Technology Law established the basis for the development of Fintech companies, and in 2019 and 2023, the development of CoDi and DiMo, respectively, which are both commission free digital payments methods. In Colombia, regulatory updates started in 2020 with Decree 1692/2020 to expand electronic payments by encouraging competition and innovation were more recently supported by decree 1297/2022 that sets forth regulations for voluntary open finance schemes. We believe that these regulatory changes will, together, increase efficiency, competition and innovation in the financial services markets of these countries while increasing access to these services. In Brazil, such initiatives are spearheaded by ‘Agenda BC#’, the BCB public policy agenda focused on innovation and competition. These measures have been highlighted in the BCB Regulation Area’s Priorities list for 2024, such as ones related to the development of Open Finance and Pix, as well as those related to AI, Crypto assets and Drex/Tokenization, demonstrating the government’s ongoing commitment to fostering a more efficient and innovative financial environment through proactive and targeted regulations tailored to this purpose.



Our Competitive Strengths and Advantages

The strengths generated by our core principles and our self-reinforcing model provide us with powerful competitive advantages that have enabled Nu to disrupt the legacy models of incumbent providers to become what we believe is one of the largest digital financial services platforms in the world. We believe we are positioned favorably to continue growing our business with attractive economics and expanding our addressable market. We believe our advantages are difficult to replicate, will continue to strengthen as we scale, and will compound over time.

We Have Significant Market and Leadership Advantages

Over the past years, we believe we built one of the largest, most influential, and trusted technology companies in the world. This privileged leadership position provides us with several key advantages, including:

- **One of the Largest Digital Financial Services Platforms** – We believe we have built one of the world’s largest digital financial services platforms, based on number of customers, with 114.2 million customers (including both individual consumers and SMEs) across Brazil, Mexico and Colombia as of December 2024.
- **First-Mover Advantage** – Nu is the first digital-native financial services platform in Latin America and a pioneer in digital financial services globally. We have achieved undisputed leadership in digital financial services in Brazil in terms of number of customers and we are progressively claiming leadership in other countries in Latin America. In almost five years since the launch of our operations in Mexico in early 2020, we have become the top credit card issuer in the country, based on net cards issued in 2024, exceeding the levels of incumbents in Mexico, according to CNBV and based on data from January to October 2024.
- **Trusted and Recognized Global Brand** – Nu was recognized by Time Magazine as the Best Brand in Brazil for the year 2024 and was awarded for the eighth consecutive year in the Digital Banks and Cards category of the *Reclame Aqui* Award, the leading consumer service evaluation platform in Brazil. In 2024, Nu was also ranked among the top institutions in Forbes' World's Best Banks for the sixth year, securing the number one spot in Brazil and Mexico, and was included for the fourth time in Fast Company's World's Most Innovative Companies list, securing first place in the Latin America category and 22nd place in the global ranking. In addition, Nu was recognized among the most valuable brands in Brazil by Brand Finance, Kantar, and Interbrand in 2024. Its executives were also highlighted in relevant lists during 2024: David Vélez, Cristina Junqueira, Livia Chanes, and Iván Canales are among the most influential people in Latin America, according to Bloomberg Línea, and Cristina Junqueira was ranked by the Financial Times among the 25 Most Influential Women of the year. In 2024, Nu and its executives earned over 40 global awards and recognitions across more than 70 categories, reinforcing its leadership position in innovation, customer experience, and impact.

- **World-Class Talent** – We attract highly talented employees from leading technology and financial services companies around the world who bring deep expertise and new ideas. Our employees are aligned with our mission and have an ownership mentality—approximately 91.16% of our active employees have been granted share-based incentive awards as of December 31, 2024.

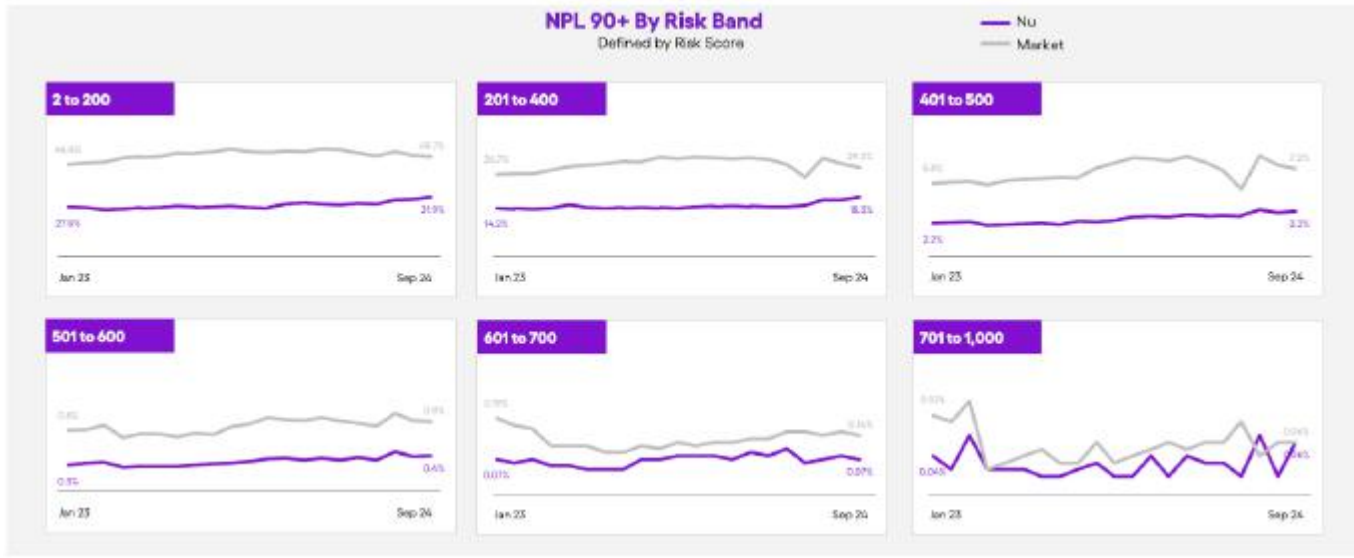
We Have Significant Operating and Financial Advantages

Our all-digital and data-driven business model gives us significant advantages, enabling us to scale and operate efficiently. These operating advantages include:

- **Extraordinary Customer Experiences** – Our modern and intuitive products provide customers with extraordinary experiences which we believe are superior to both incumbent banks and other digital disruptors. We believe our NPS far exceeds incumbent banks and all other financial technology companies, supported by simple, transparent, and intuitive products. Our reputation for providing excellent experience contributes to our brand recognition, organic growth through word-of-mouth referrals, and customer loyalty.
- **Caring and Effective Customer Support** – Our self-service support tools and highly trained team of Xpeers provide a superior level of service compared to many competitors. We believe we delight and educate our customers by improving their financial literacy and increasing their engagement with our platform.
- **Proprietary Control and Capabilities from Our Technology Platform** – Through our NuCore platform, we centrally manage credit card transaction authorization and core bank account processing, enabling us to operate efficiently, nimbly roll out new products or features, and scale in new markets effectively. We designed and invested in our own cloud-based core banking platform, unlike competitors that usually depend on third-party providers and credit card processors.
- **Low Operating Costs** – We operate with a low-cost model across four key areas of our business:
 - **Low Cost to Acquire** – Given our focus on creating strong customer experiences, we have been able to acquire customers primarily through viral word-of-mouth and direct customer referrals, which has enabled us to expand our customer base efficiently without expensive marketing campaigns or incentives.
 - **Low Cost to Serve** – By operating in a fully digital environment without the need for branches, and by consistently eliminating and simplifying processes, we have been able to serve our customers quickly and efficiently and achieve scale efficiencies, benefits that we can pass along to customers and investors.
 - **Low Cost of Risk** – By leveraging our advanced technology and proprietary data science to better assess and reduce credit risk, we have been able to operate and scale efficiently and offer more competitive pricing to our customers.
 - **Low Cost of Funding** – Our large and growing base of local currency deposits, originated 100% organically, has enabled us to cover more than our funding needs and extend increasing amounts of credit to our customers, creating a highly resilient, diversified and low-cost funding model that we can scale efficiently.



- **Advantaged Unit Economics** – We estimate our LTV/CAC ratio to be greater than 30x as of December 31, 2024, supported by the self-reinforcing nature of our business model and our low operating costs. We believe we have several competitive advantages that include:
 - **Increasing Revenue per Customer** – We seek to increase our revenue per customer over time: we combine customer experiences and a low-and-grow approach to increase transaction volumes and share-of-wallet, while cross-selling additional products to our customers. For our monthly cohorts from the first quarter of 2017, our Monthly ARPAC had increased on average by more than 22x by December 31, 2024 versus their initial month.
 - **High Customer Engagement** – We believe our continuous investments in technology and customer service combined with the compounding effects of our business model have resulted in engagement rates closer to those of social networks than digital banking platforms and have helped us increase customer engagement over time. This resulted in an activity rate of approximately 83% as of December 31, 2024, which demonstrates the high frequency engagement and utility-like capabilities of our solutions.
 - **Low Customer Churn** – We believe our high level of customer engagement contributes to our low customer churn. Our net churn is relatively low, averaging 0.2% per month in 2024, stable when compared to 0.2% in 2023. We expect voluntary churn will remain low as we continue to deliver an extraordinary customer experience, become the primary banking account for our customers, and cross-sell to our existing customers to embed ourselves more deeply in their financial lives. Churn or customer churn refers to the loss of customers for any reason at all. We measure and track churn as a percentage of lost customers compared to the total number of customers over a given time period.
- **Effective Underwriting and Pricing** – We underwrite customers and manage credit risk more effectively than the banking industry, providing portfolio resilience over time by using our unique data and advanced NuX credit engine. Our goal is not to minimize risk but to maximize value, enabling us to price our products more competitively while still generating advantaged unit economics. Based on analysis by Equifax | Boa Vista, Nu has demonstrated superior credit underwriting capabilities across every risk score for credit cards, as evidenced by the charts below. Nu has consistently outperformed the industry, resulting in lower delinquency rates within each risk band.



We Have Significant Strategic Advantages

Our self-reinforcing model also provides us with key strategic advantages that help us differentiate, grow and compete more effectively. These strategic advantages include:

- Unique Data** – Our model generates proprietary data on millions of individual consumers and SMEs, giving us unique insights into customer behavior. We feed this data into our artificial intelligence and 60+ machine learning algorithms to improve our underwriting, differentiate our products and services, enhance our customer support, tailor customer experiences, and lower our risks.
- Powerful Self-Reinforcing Network Effects** – We believe our model demonstrates distinct self-reinforcing network effects that help compound our growth. As we expand our ecosystem of customers and partners, we generate more data, which enables us to improve our products and services and customer experience. As more existing customers are delighted with their experience, they refer new customers which, in turn, increases the size of our ecosystem.
- Highly Defensible Business Model** – We built a disruptive business model that supports our strong competitive position in the market. We believe it is highly defensible and difficult to replicate given the significant time, expertise and investments required to build our capabilities across multiple countries.

Our Growth Strategies

We believe we are in the early stages of capturing a large market opportunity to simplify the lives of hundreds of millions of consumers and SMEs. We continue to leverage the competitive strengths of our self-reinforcing model to grow and expand our business, creating value for all stakeholders. Our primary growth vectors are:

A. Grow Our Nu Ecosystem

We believe our self-reinforcing model will continue driving the expansion of our ecosystem, as we reach, engage and grow our base of customers and partners. We intend to grow our Nu Ecosystem by:

- Nurturing Our Customer Acquisition Engine** – We continue to build our customer acquisition engine by:

- **Growing Our Base of Highly Loyal Customers** – Who we believe will continue to refer other customers to us. Our commitment is to persistently develop innovative, superior products that tap into latent demand, to offer extraordinary financial solutions to consumers and SMEs who we believe are unserved or underserved by incumbent banks, and to foster green-field markets to accelerate customer acquisition.
- **Developing Our Digital Content and Social Media Presence** – Creating new digital content for our NuCommunity portal and millions of our mobile app users, and building our social media platforms to foster customer engagement, advocacy and financial education.
- **Tactically Leveraging Marketing Spend** – To build a leading consumer brand that is loved and trusted by customers in all markets where we operate, helping us expand our ecosystem, attract higher-value customers, and raise awareness of our newest products and services.
- **Increasing Our Share of Customers' Financial Lives** – We believe we will continue to increase our share of customers' financial lives by:
 - **Growing With Our Customers** – As our customers accumulate more wealth and reach new milestones in life, their need for diversified financial services is expected to increase. We currently serve customers across a wide range of ages, and have a particularly young customer base, with almost 61% of our customers under 40 years old and an average age of 37 as of December 31, 2024, providing us with the opportunity to grow with customers who are in the early stages of their financial journeys.
 - **Cross-Selling New Products and Upselling to Higher-Value Products** – As we accumulate more data and learn more about our customers, we can suggest new products to fit their needs and optimize their credit limits, increasing wallet share across our customers' Five Financial Seasons and growing revenue along with profits that we generate from each customer. We have also sold customers multiple products at progressively faster rates. For example, as of December 31, 2024, we reached an average of 4.1 products per active customer. Additionally, millions of customers have a NuAccount but have not yet been approved to receive our credit products. As we continue to collect information on these customers and enhance our customer segmentation and credit models, we believe we will increase our approval rates and extend our full product suite to a significant portion of these customers, at no marginal customer acquisition cost.
- **Utilizing Partners to Grow Our Marketplace of Offerings** – We partner with top providers to offer services to customers in new areas where we currently do not have a main product or service. This helps us grow and be a bigger part of our customers' lives, strengthening our primary financial relationship. We believe this represents an important growth channel and will enable us to participate in more areas of our customers' daily lives quickly and efficiently. For example, we have partnered with big retailers in Brazil, such as Amazon, Casas Bahia and Magalu, to offer non-financial services through our marketplace. We have also partnered with Chubb to provide a life insurance product and with Hopper to provide travel experiences, each of which can be originated and managed seamlessly through our Nu mobile app.

B. Enhance Our Nu Platform

We believe there is a significant opportunity to leverage our advanced technology and proprietary data science to offer additional functionality, solutions and experiences to our customers as we learn more about their behaviors and needs. We intend to improve our Nu Platform by:

- ***Innovating and Developing New Solutions*** – We are focused on developing and launching new products and features, challenging ourselves to enhance our customers’ lives and better fulfill their diverse financial service needs. We launched various products since we began operations in 2013, including credit and prepaid cards, loyalty programs, payment accounts for individuals and SMEs, unsecured and secured personal loans, investment solutions, Pix and payment slips (*boleto*) financing, insurance products, and crypto solutions, among others.
- ***Executing Strategic Acquisitions*** – Although we are primarily focused on growing our business organically, we may selectively pursue strategic acquisitions that we believe are attractive business opportunities and are aligned with our mission to consolidate or expand into new areas and gain new capabilities more quickly and efficiently. For example:
 - *Our Acquisition of Hyperplane (U.S.), AI Core* – In July 2024, we completed the acquisition of Hyperplane, a U.S.-based AI platform specializing in enabling financial institutions to launch personalized customer experiences through foundation models, which we believe will accelerate Nu's AI development across products.
 - *Our Acquisition of Olivia (U.S. and Brazil), currently NuSignals* – In January 2022, we acquired Olivia, a U.S.-based data company with subsidiaries in Brazil and specializing in applying machine learning and artificial intelligence solutions to retail banking, which we believe has further strengthened our open banking initiatives.
- ***Making Strategic Minority Investments and Corporate Venture Investments*** – We will selectively make strategic minority investments in companies with which we have negotiated commercial agreements or partnerships where we believe we would benefit from stronger alignment. We believe these investments can provide us with access to third-party products and capabilities at a faster pace and in a highly capital efficient manner, particularly as we build our marketplace of offerings. We evaluate and make minority investments in early stage companies where we see long-term strategic value in establishing relationships and receiving first-hand insights on new potential geographies, products, technologies and strategies that we might consider entering or using in the future.
 - *Our Investment in Tyme Group Pte Ltd. (Singapore)* – In December 2024, we made a minority investment in Tyme Group, the holding company which has investments in Tyme Bank Holdings (South Africa operation) and Tyme Investments (Southeast Asia operation). Tyme Group is a digital bank with operations in emerging markets including South Africa and the Philippines.

C. Expand into New Markets

We believe our Nu model also provides us with the capability to expand into new markets and scale quickly and efficiently. For example, we may consider expanding into:

- **New Geographies** – We believe we are in the early stages of our international expansion and continue to assess opportunities to scale our platform in new markets. Our technology, data science, credit and differentiated customer experience model provide a foundation for scalable and portable growth. We continue to invest heavily in a global product architecture designed to be both adaptable and efficient across multiple geographies. We believe the early results of our international expansion underscore the portability of our approach. Looking ahead, we may pursue targeted international expansion, where we can provide services to millions of consumers while disrupting the legacy models of traditional financial institutions.
- **Case Study – Expansion to Mexico** – Since the launch of our first product in Mexico in early 2020, we believe we have witnessed the ability of our Nu model to successfully transcend borders:
 - **Opportunity in Mexico** – We believe we have identified a significant growth opportunity in Mexico and chose it as the first step in our expansion outside of Brazil. According to ENIF (Encuesta Nacional de Inclusión Financiera), 37% of the country’s adult population was unbanked and 62.7% never had formal credit in 2024. One of the main reasons lies in not meeting the requirements to obtain formal financing. Furthermore, 84.3% of the population does not have a credit card issued by a financial institution. On the other hand, Mexico is the second-largest country in Latin America for internet users, with around 75% of Mexicans online (Sources: CNBV, Banxico (SIE), INEGI, Euromonitor, Oliver Wyman Analysis). Mobile banking has shown impressive growth, expanding 6x in the last 6 years, according to a study performed by *Banco Bilbao Vizcaya Argentaria* (BBVA). All of the above factors together make Mexico a perfect market for disrupting the digital financial landscape.
 - **Customer Acquisition and Experience** – Our customer base in Mexico is growing at a rapid rate and, as of December 31, 2024, we had a total of 10 million customers in the country, more than 55% of whom we acquired through unpaid word-of-mouth referrals, and had an NPS which we believe is around 15pts above the average NPS for incumbent banks. Both the ramp up of our customer base and our NPS in Mexico are further ahead than where we were in Brazil three years into our journey there.
 - **Consumer Credit Underwriting** – We are already operating the sixth generation of our proprietary machine-learning underwriting models, which meaningfully increase our ability to accept new customers in a country with one of the lowest levels of financial inclusion in the world. Compared to making decisions with generic credit bureau scores, the latest version of our credit engine enables us to lower risk by 71% for a comparable approval rate. On a year-over-year basis, our first payment default rate had dropped 50% in the year ended December 31, 2024. The velocity with which we implemented our proprietary underwriting models in Mexico is also ahead of our experience in Brazil at the same point in the journey.
 - **Leadership Position** – We are one of the top new credit card issuers in the country, surpassing long-established players such as Banco Azteca, Banorte, Santander Mexico, HSBC and BanCoppel, and becoming the third-largest issuer in terms of accumulated issuances, according to CNBV data, as of October 2024.
 - **Adjacent Sectors** – We believe there is a significant opportunity to bring the self-reinforcing effects of our business to adjacent sectors where we can disrupt legacy models and provide additional value to our customers. For example, we believe there are similar opportunities to simplify our customers' lives by disrupting existing models in industries such as e-commerce, healthcare and telecommunications.

- **Case Study – Expansion to Colombia** – We announced our launch in Colombia in September 2020 with ambitious goals for the future: win the fanatical love of people in Colombia, reinvent the future of financial services there, and become one of the leading digital financial services companies in the country.
 - *Opportunity In Colombia* – the endemic lack of competition has contributed to the subpar experience for consumers, and we see ample room to offer simple, digital, and low-cost financial services. The evidence of this is widespread, as shown in the data below from 2020:
 - ✕ 5 banks hold 84% of the market, according to Superintendencia Financiera de Colombia (SFC);
 - ✕ Incumbents scored a low average of 34 in NPS, according to a Deloitte Survey, when we entered the market;
 - ✕ Customers pay monthly fees between COP 14,900 (equivalent to US\$3.75) and COP 40.890 (equivalent to US\$10.00) in credit card fees according to SFC. In terms of purchasing power, this would be the equivalent of a minimum-wage worker paying up to US\$70 in monthly credit card fees;
 - ✕ Only 22.5% of adults have a credit card, per SFC data; and
 - ✕ Deposit accounts have low activity rates of approximately 50% according to SFC data.

In addition to this, we have a few exploitable tailwinds:

- ✕ More than 60 million connected mobile devices, per Colombia’s Ministry of Technology, Information and Communication data; and
- ✕ Cash payments consistently lost share of private consumption, reaching a historic low of approximately 20%, according to SFC.
- *Customer Acquisition and Experience* – Since launching credit cards in Colombia in 2021, our experience shows we are inching closer to fulfilling our ambitious goal of winning the fanatical love of our customers. We believe we are not only the net fastest-growing credit card issuer (both in number of cards and growth rate), reaching 100% of departments and achieving an NPS 1.65x higher than the average of incumbent banks (according to a Bain’s rNPS Prism), but we were also granted a license for a regulated entity for Nu Colombia. We believe this acknowledges the robustness of our model and the urgency with which it is needed in the market.
- *Credit Underwriting* – Following four iterations, we devised models receiving hourly inputs and daily updates for segment analysis, monitoring the effect of each feature in model behavior by using mathematical methods (e.g. Weight of Evidence and Information Value) as well as dimensions of credit decisions, such as approval rate, average initial lines, credit risk and NPV input metrics. Our risk performance is consistent with the market, despite our high growth rate, and Nu is at the vanguard of financial inclusion in Colombia.

- *Compañía de Financiamiento License:* In January 2024, Nu Colombia received a financing company license from the *Superintendencia Financiera de Colombia* (SFC), which allows Nu to offer credit and deposit products, among other financial products. Nu Colombia Compañía de Financiamiento S.A. began operations on March 19, 2024, in compliance with Basel III capital adequacy ratios.
- *Cuenta Nu launch:* Nu launched a savings account in June 2024. It was highly disruptive in the market as it offered a very high yield (13% annually v. market average of less than 1%). This account is 100% digital, offers 24/7 liquidity, and no minimum balance. Key features include high-yield savings, instant transfers (Nu Placa), and free unlimited transfers. The goal is to become the primary banking relationship for customers, offering a range of products beyond the account itself. Initial results show impressive growth: (i) Nu experienced the largest launch registration list in its history (over 660,000 people registered), (ii) became the largest neobank in Colombia by deposits and number of accounts, shortly after launch, and (iii) within six months was the fourth-largest institution in Colombia in terms of personal savings account deposits (COP \$5.7 trillion), equivalent to US\$ 1.3 billion (as of December 31, 2024) and customer count (1.9 million).
- *Credit Card growth:* Our credit card portfolio reached a significant milestone, with 1.2 million clients now distributed across 95% of municipalities in Colombia. Our customer base also reflects balanced gender distribution, with equal representation between male and female clients, effectively addressing the broader market trend that typically shows a 6 percentage point gender gap favoring males. Furthermore, we became the number one net credit card issuer in the market, experiencing remarkable 23% year-over-year growth for the year ended December 31, 2024, while the overall market contracted by 8%. This achievement underscores our strong market position and commitment to financial inclusion.
- *Merger:* In November 2024, the SFC approved the merger of Nu Colombia SA, a non-regulated fintech specializing in credit card operations, and Nu Colombia Compañía de Financiamiento, a financial institution offering savings account products (Cuenta operations). The merger aimed to (i) improve efficiency by consolidating assets and liabilities within a single legal entity, allowing deposits to fund credit card operations, (ii) reduce complexity by streamlining operations, and (iii) enhance transparency and trust now that the credit card product is under the SFC's supervision, providing customers with more clarity and improving customer experience.
- *Industry leadership:* Since its launch, Nu Colombia has reached two million customers and grown the customer base approximately 3x year-over-year, as of December 31, 2024, securing its position as the fastest growing net credit card issuer in the country - becoming the largest neobank in terms of deposits for individuals - and as the 5th leading financial institution in terms of number of cards, according to information from the *Superintendencia Financiera de Colombia* and Nu's internal data.
- Following the successful launch of Cuenta Nu in Colombia, Nu plans to consolidate Cuenta Nu by introducing new features such as (i) cash deposits, (ii) bill payments via the app, and (iii) payroll integration that enables customers to have their payroll directly deposited into their Cuenta Nu account. In addition, Nu aims to expand its product offerings, completing the core suite of products for our target customer segment. Plans include launching new products, such as term deposits and personal loans, as well as exploring secured cards to further our financial inclusion efforts across the country, among other initiatives.

Our Products and Services

We offer a wide range of products and services for our customers. In Brazil, we offer products across the Five Financial Seasons: (1) spending, (2) saving, (3) investing, (4) borrowing, and (5) protecting. All our products are fully digital solutions to help us provide simple, convenient and low-cost services with a great user experience for our customers.

Spending Solutions

Our spending solutions are designed to help customers pay for goods and services in their daily lives with a customized credit line or instantly through a mobile phone, while collecting loyalty points, rewards, discounts and benefits on applicable transactions. These solutions include:

Nu Credit and Prepaid Card

Our core Nu Credit and Prepaid Card was our first product, launched in Brazil in 2014. It is a Mastercard-branded international card that is 100% digitally-enabled and acts as both a credit and a prepaid card. Features and benefits include:

- No fees or annual charges
- WhatsApp Pay (prepaid card only), Android Pay and Apple Pay enabled
- Accepted by more than 150 million merchants across the world
- Complete digital experience with broad control over mobile apps, such as blocking and unblocking cards, and managing credit limits and due dates for bill payments
- Discounts for early installment payments
- Disposable virtual cards expiring in 24 hours
- Investment-backed credit card limits

Nubank+ Tier

Nubank+ is an evolution of the Nu experience, for customers who wish to gain more benefits, not only in the use of our products but also in solutions for their daily lives. Features and benefits include:



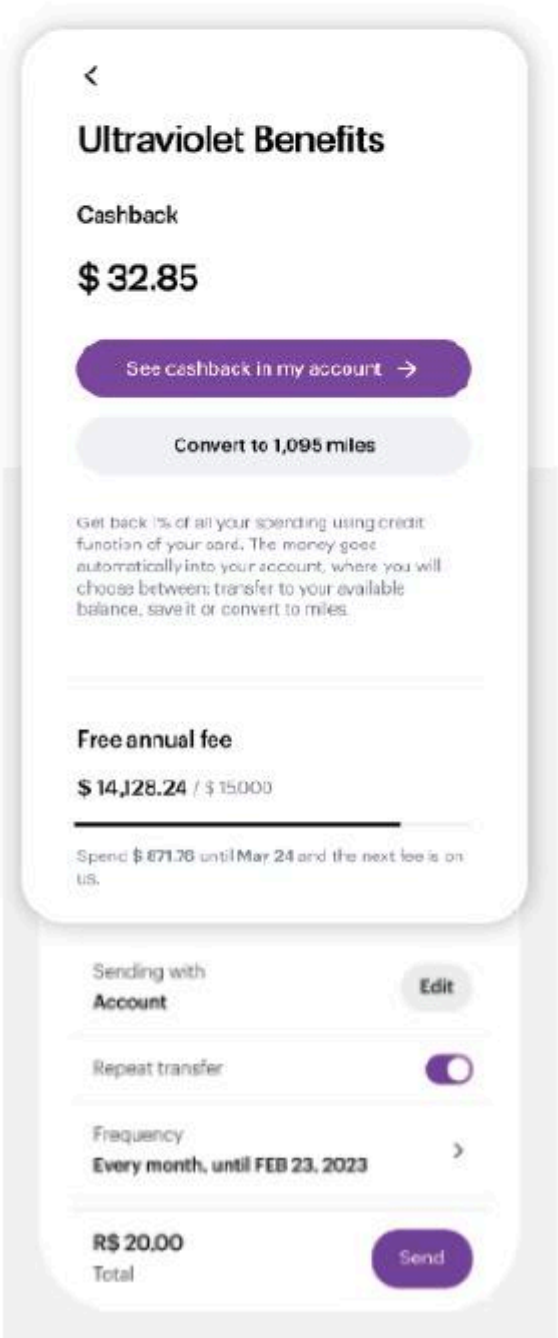
- Nu Credit & Prepaid Card, with 0.5% cashback on credit transactions
- Free withdrawals
- Streaming service subscription with no additional cost on the basic plan with ads
- Smart Alerts in the Payments Assistant, which notify when a bill is higher than expected.
- Exclusive Transportation benefits (inc.Toll Tag)

Ultraviolet Tier

In 2021, we launched Ultraviolet, our premium metal credit card for affluent customers. In 2023, we expanded this value proposition into a full Tier, launching our premium Ultraviolet Tier, targeting higher income users and providing several benefits for the user, including exclusive access to the Ultraviolet Credit and Prepaid Card for a fee of R\$49 per month (approximately US\$7.66, based on the Brazilian reais/U.S. dollar exchange rate on December 31, 2024). Highly engaged users (those who spend more than R\$5,000 or have more than R\$50,000 invested in assets) are exempt from the Ultraviolet Tier fee.

Features and benefits included in the bundle are:

- Ultraviolet Credit & Prepaid Card, with metal design, 1% cashback on credit transactions that yields 200% of the Brazilian interbank deposit rate, which can be exchanged for miles, invested or transferred to our NuAccounts
- Full benefits of Mastercard Black, including insurance on select purchases and VIP airport lounge access
- Exclusive app theme and premium customer support, available 24/7 with our highest rated trained Nubank agents
- Free insurance against digital transaction fraud
- Free withdrawals
- Special tailor-made app experience
- Free Max Ad Lite subscription
- Exclusive benefits for managing one's family finances (“Espaço Família”)
- Access to exclusive products within Investments (Funds & CDBs) and Loans (discounted FGTS loans)
- Exclusive Travel and Transportation benefits (inc.Toll Tag, Multi-Currency Account, benefits to book trips on NuViagens)



Mobile Payments

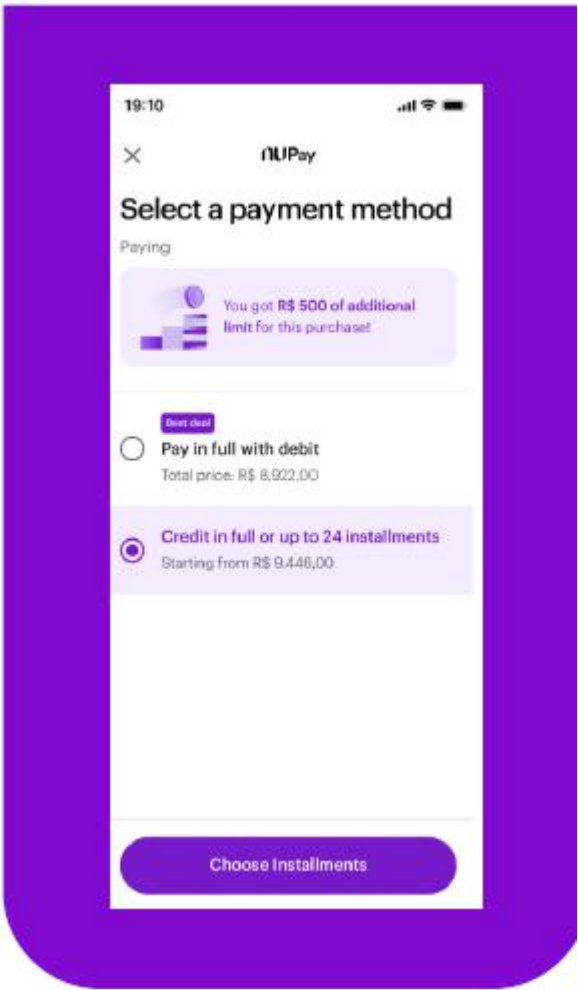
Instant payments for NuAccount customers to make and receive transfers, pay bills and make everyday purchases at any time through their mobile phone. Features and benefits include:

- Real-time transfers through Pix, WhatsApp Pay or NuAccounts
- Easy and secure payments using Pix keys or QR codes, instead of lengthy bank information
- Effortless protection with easy to manage transaction limits
- Scheduled and recurring payments available to facilitate financial planning and organization
- No fees
- Pix via WhatsApp & Voice
- Instant settlement
- Available 24/7

Nu Shopping

Our integrated marketplace enables customers to purchase, via the Nu app, goods and services from several of the most well-known e-commerce retailers in Brazil. Features and benefits include:

- Exclusive benefits, product offers, and special pricing
- Cashback deals for more than 200 of the top ecommerce sellers in Brazil
- End-to-end shopping experience with key partners, such as Apple, Casas Bahia (electronics), Hopper (travel), and Epay (Gift Cards), within Nu Shopping. There is no need to leave the app, create an account on the partner website, or enter payment information
- Seamless and secure payment experience with NuPay, with extended credit limits for purchases and flexible payment plans in up to 24 installments





Transactional Solutions

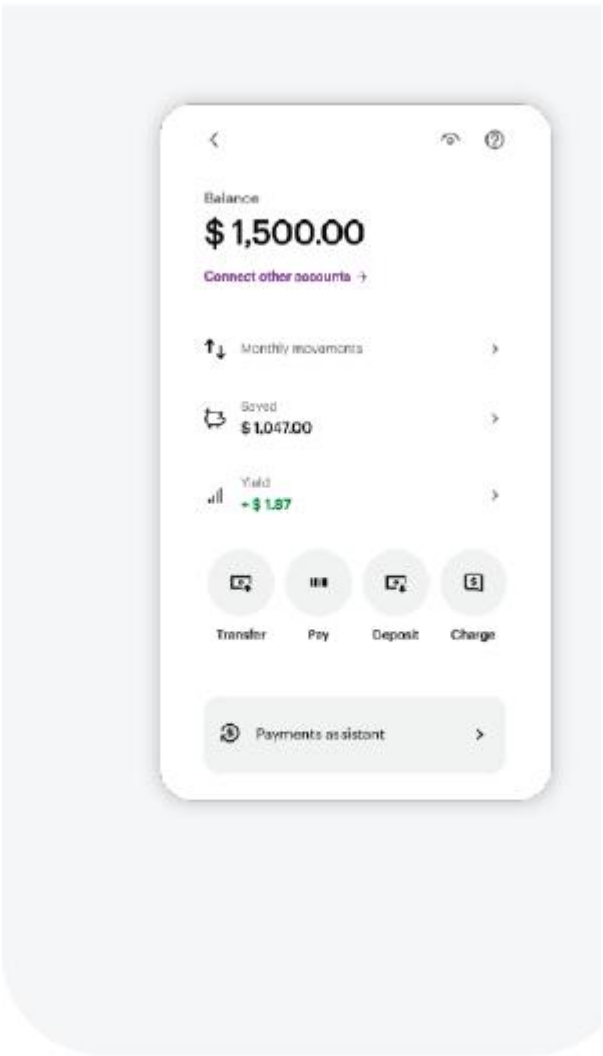
Our transactional solutions are designed to help our customers deposit, manage and use their money. These include:

Nu Personal Accounts

NuAccount is our fully digital account solution that supports all personal financial activities, from daily purchases and money transfers to savings.

Features and benefits include:

- No annual or maintenance fees
- Access to all account details anytime through the app
- Auto-invest feature that automatically invests any existing balances in time deposits or government bonds, providing a yield equal to the Brazilian interbank deposit rate and instant liquidity
- Complementary contactless prepaid card
- Unlimited free transfers and payments
- Instant limit availability when paying credit card with account balance
- Real-time digital notifications for all transaction activities
- Reserve account to store funds or lock them as time deposits for enhanced yields
- Ability to save set amounts on monthly basis for better spending control
- Access to cash withdrawals at 3,400 ATMs
- A Payments Assistant that organizes and manages the payment of all recurring bills



Nu Business Accounts

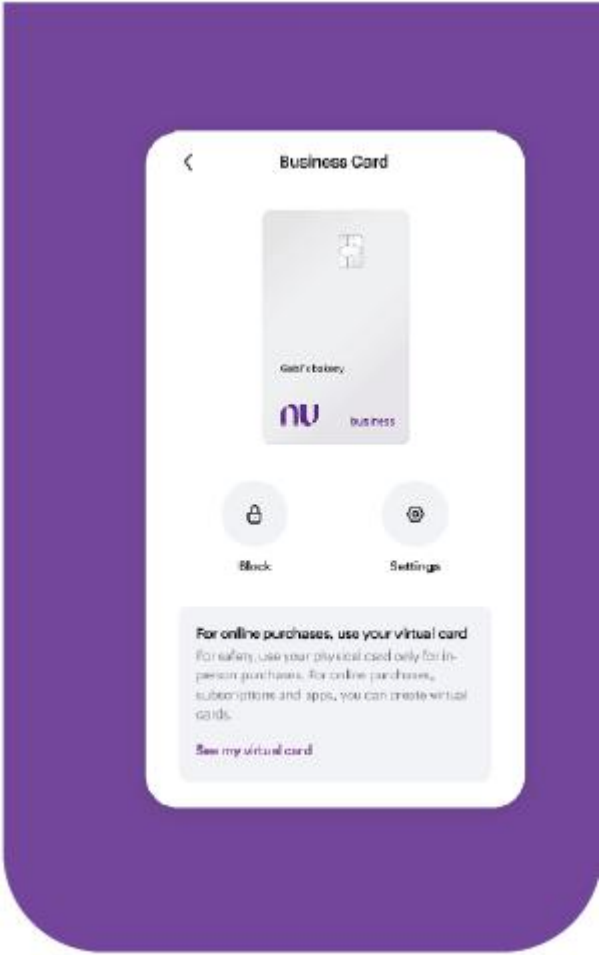
Our Nu Business accounts are similar to our Nu personal accounts, but designed specifically for customers who are entrepreneurs and for their businesses. This enables them to separate their business from personal transactions. Features and benefits include:

- No annual or maintenance fees
- Prepaid card for easy business purchases and withdrawals
- Real-time access to account details
- Unlimited transfers to and from the account
- Set up of regular expense payments
- Receive payments from customers free of charge via Pix

Nu Business Prepaid and Credit Card

Our Nu Business credit and prepaid cards are also similar to the personal cards we offer. We began testing the credit function with business customers in 2021 and it was received by them with the same enthusiasm as Nu’s personal cards. Features and benefits include:

- No fees or annual charges
- Android Pay and Apple Pay enabled
- Accepted by more than 30 million merchants across the world
- Complete digital experience with broad control over mobile apps, such as blocking and unblocking cards, and managing credit limits and due dates for bill payments
- Discounts for early installment payments
- Investment-backed credit card limits
- Limit line transfer between personal card and business credit card



Savings & Investing Solutions

Our savings and investing solutions are designed to help our customers invest their money easily and conveniently with access to a growing number of investment products and services. These include:

Money Boxes (*Caixinhas*)

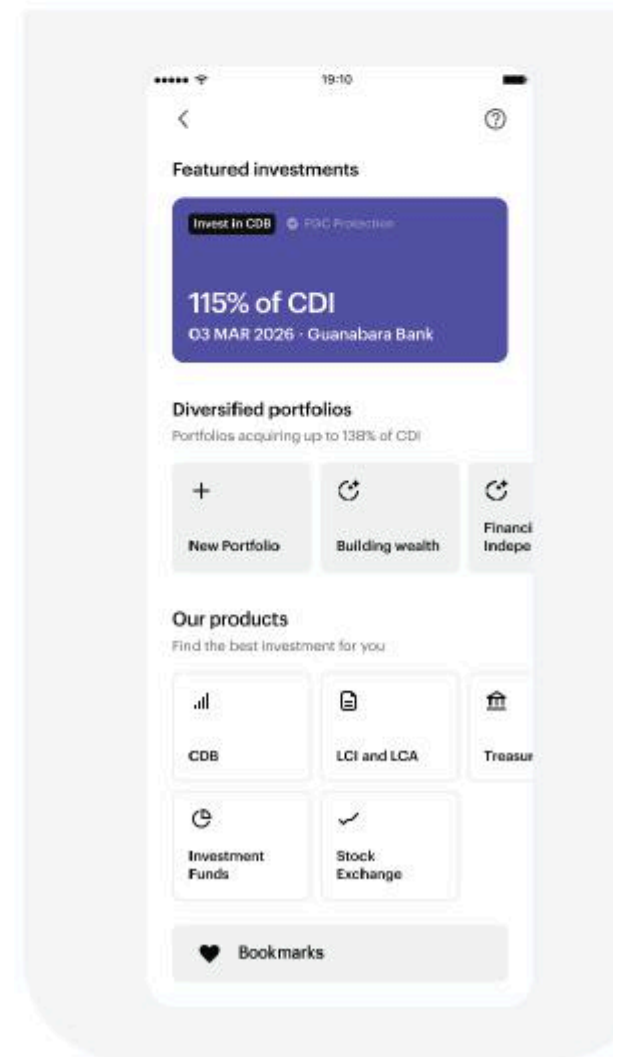
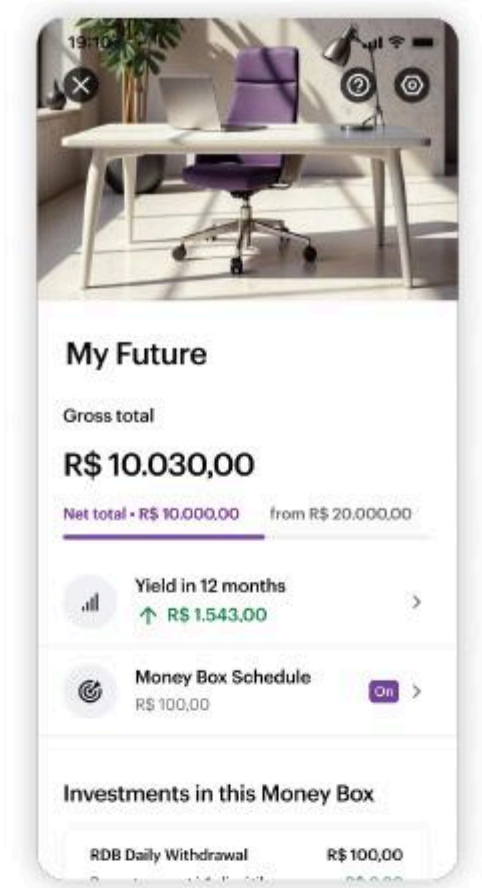
Our segregated savings portfolios (*caixinhas*) are our solution for goal-based investing, enabling users to organize their savings balances and improve savings habits in a personalized and simplified manner. Main features include:

- Creation of multiple *Caixinhas* with name/photo customization and goal setting
- Segregation of investing operations like yield monitoring and historical contributions for each *Caixinha*
- Simulation and scheduling of automatic recurring deposits
- Option to increase credit card limit through money invested in a *Caixinha*

Investing Solutions

Our investing solutions help customers protect and compound their long-term wealth with a simple, effortless and worry-free experience that combines attractive investment products with customized and conflict-free guidance. Features and benefits include:

- Clear information in easy-to-understand language
- Transparent fee pricing
- Wide portfolio of investment choices
- No-fee stock trading
- Personalized recommendations
- Portfolio and investment monitoring

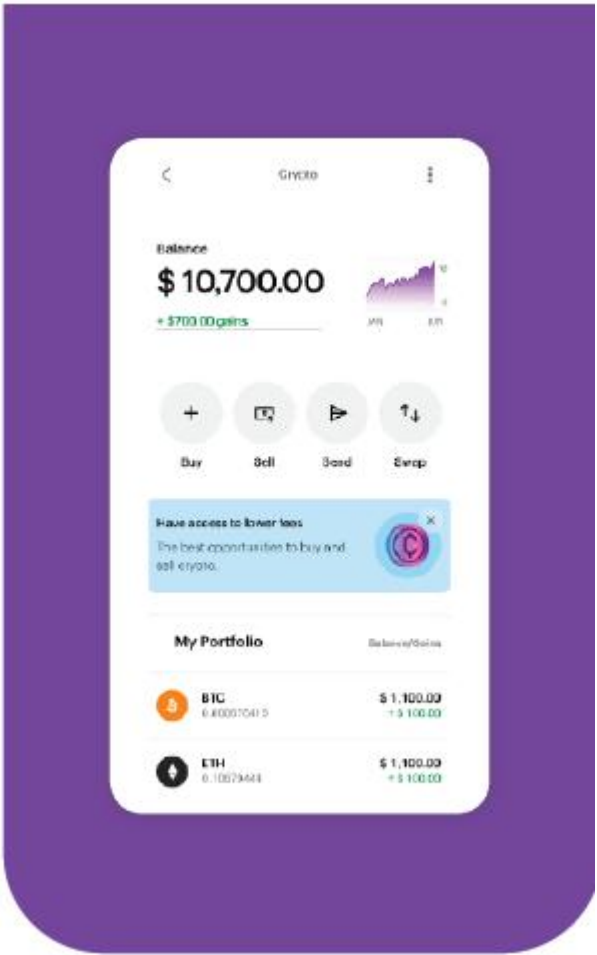




NuCrypto

NuCrypto is a solution for buying and selling cryptocurrencies with a custodial wallet with on-chain transfers through the Nu app. It was created to simplify and increase access to the crypto market safely through the app. Features and benefits include:

- Ability to invest as little as R\$1 (equivalent to US\$0.2)
- Customers can buy and sell cryptocurrencies any day and time – including weekends – using the account balance without leaving the Nu app environment
- Current Cryptocurrencies that can be traded: BTC (bitcoin), ETH (ethereum), UNI (uniswap), XRP (XRP Ledger), Sol (solana), Xlm (stellar), Pol (polygon) Matic migrated to Pol, Aave (aave), Link (Chainlink), Avax (avalanche), BCH (bitcoin cash), Op (Optimism), Arb (Arbitrum), Ltc (Litecoin) and Dot (Polkadot)
- In addition to fiat pairs, we also offer swap pairs (BTC<>ETH, USDC<>BTC, others) with efficient execution for customers
- NuCrypto offers a custodial crypto wallet for customers to perform on-chain transfers to and from their NuCrypto account
- Nubank's Know your Client, or "KYC", Anti Money Laundering, or "AML", practices and controls
- Nubank offers custody for customer assets using Fireblocks SaaS
- Customers can follow market movements with a price alerts feature, and with customization of price variation and frequency of alerts
- NuCrypto distributes stablecoins such as USDC to Brazilian customers
- Providing access to crypto liquidity in U.S. dollar pairs or in Brazilian reais, with multiple liquidity providers that enable us to offer the best execution possible to our customers when they are buying or selling tokens through our NuCrypto platform. To access U.S. dollar liquidity, we execute foreign exchange transactions with a licensed partner that records the required foreign transactions with the Central Bank of Brazil.



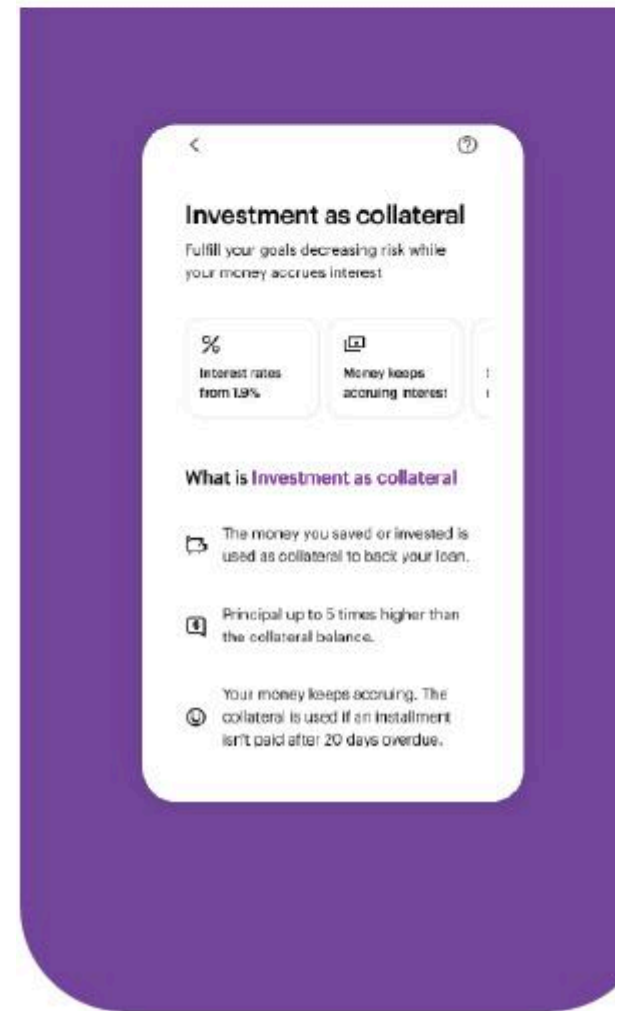
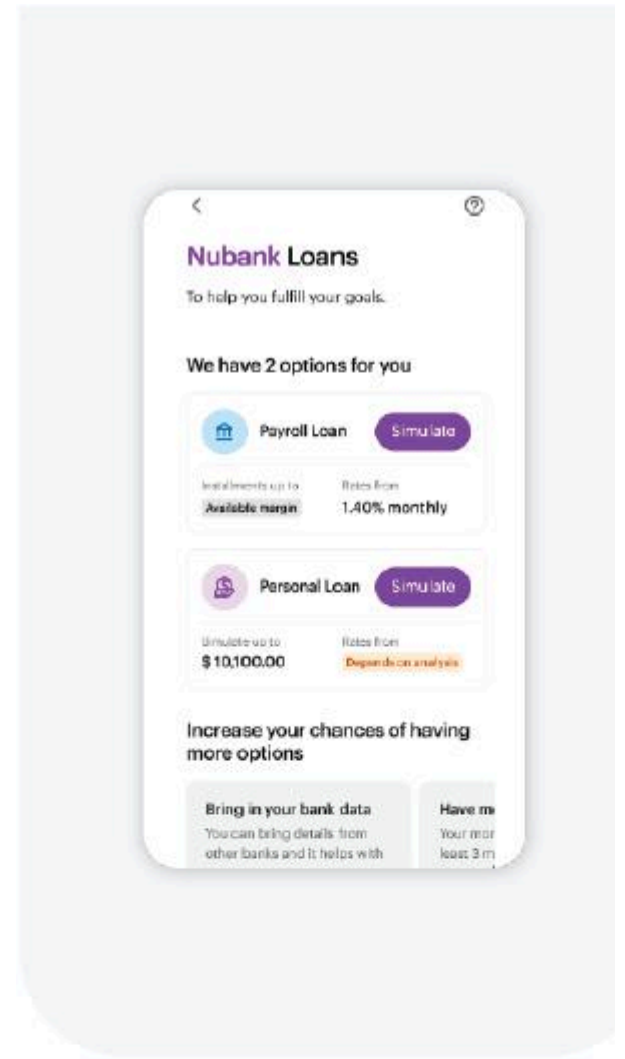
Borrowing Solutions

Our borrowing solutions are designed to provide our customers with unsecured and secured loans that are easy to access, receive, manage and pay back. Nu has evolved from its initial personal unsecured loan product to a broader portfolio of credit solutions, aiming to offer the best match for each customer's needs. Over time, we expect our portfolio to include a mix of proprietary products as well as those offered by or in partnership with third parties. Nu's borrowing solutions products currently include:

Personal unsecured loans

Launched in Brazil in 2019, in Mexico in 2023, and in Colombia in 2024, our personal unsecured loans are easy-to-manage and 100% digital for our credit card and digital account customers. Our customers are in control from pre-loan simulation through loan management. Features and benefits include:

- 100% digital, real-time underwriting
- Money instantly deposited to customer's NuAccount
- Rates in Brazil are lower than the market average
- Transparent loan terms, supported by easy in-app simulation of different loan conditions
- Simple loan management in the mobile app puts customers in control over installments and principal payments
- Self-service installment anticipation, with discounts and renegotiation in the mobile app



Personal secured loans: Investment backed loans

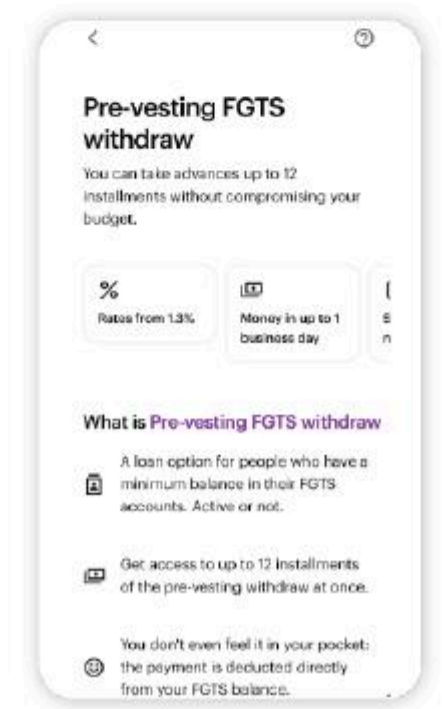
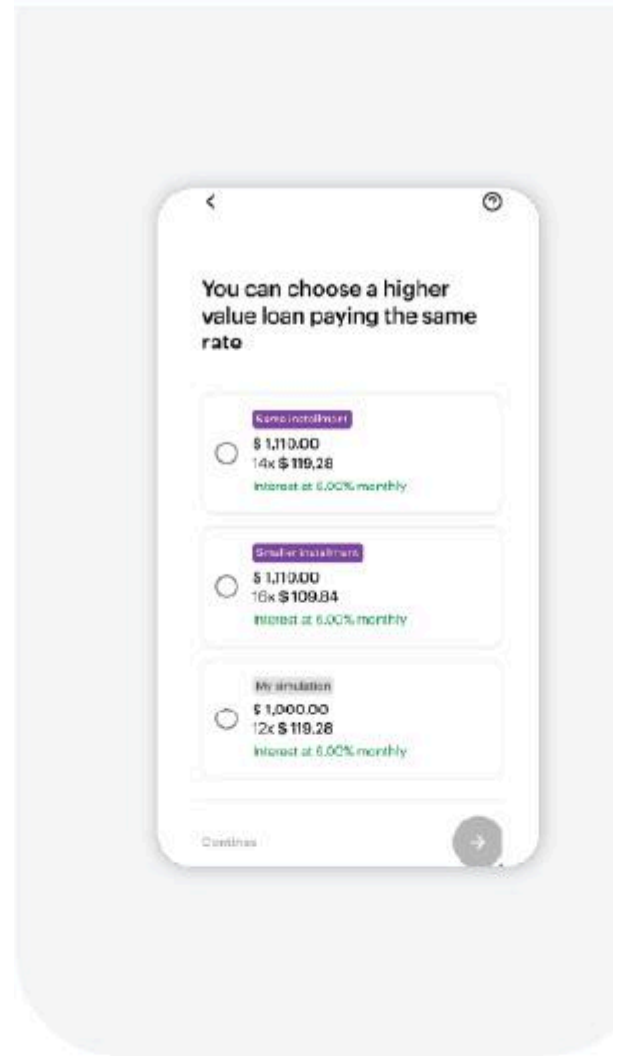
Launched in 2022, investment backed loans help customers solve the present without compromising their future. This product gives customers access to a larger line of credit at a lower interest rate by using their Nu investments as a guarantee. Customers can keep their money invested, while getting access to liquidity to cover an emergency or cash flow shortfall. Currently, Nu offers this product to customers who invest in Locked Deposits or *Tesouro Direto*, the Brazilian government bonds. Features and benefits include:

- Lower interest rate than unsecured personal loans
- Leveraging assets to get a line of credit larger than the value of the guarantee
- Money instantly deposited to customer’s NuAccount
- Flexibility to use different types of investment assets
- Easy to contract, repay and anticipate installments (with discount) in the mobile app

Personal secured loans: Payroll deductible loans

Launched in 2023, payroll deductible loans let customers use their future income as a guarantee to get a loan with a very low interest rate. Monthly loan installments are deducted directly from the customer’s payroll. Currently, Nu operates with Brazil’s largest public payroll partners, which distribute payroll to federal civil servants and public military personnel (*Sistema Integrado de Administração de Pessoal*, or “SIAPE”) and pay benefits to retirees and pensioners (*Instituto Nacional do Seguro Social*, or “INSS”) that account for about 60% of the total addressable market of payroll linked loans. Features and benefits include:

- Lowest price in the market based on interest rates charged
- 100% digital loan application and management
- Full autonomy for customers, eliminating reliance on an intermediary such as a bank branch manager or broker
- Money instantly deposited to customer’s NuAccount
- Anticipate installments (with discount) in the mobile app



Personal secured loans: FGTS backed loan – *anticipation of unemployment benefit withdrawal*

Launched in 2023, FGTS backed loans give customers early access to money that is rightfully theirs – a Brazilian severance unemployment benefit called FGTS. In 2020, Brazil’s government created the *Saque Aniversário* FGTS, allowing people to withdraw a portion of their funds in their birthday month, as well as the ability to anticipate *Saque Aniversário* installments as a loan – the FGTS backed loan. Annual loan installments are repaid by FGTS directly to Nu.

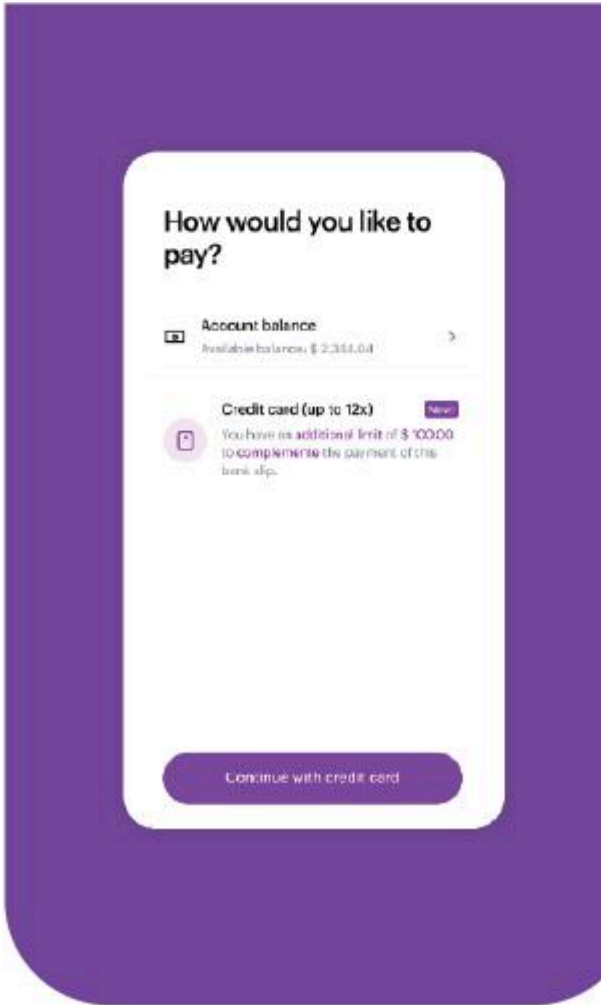
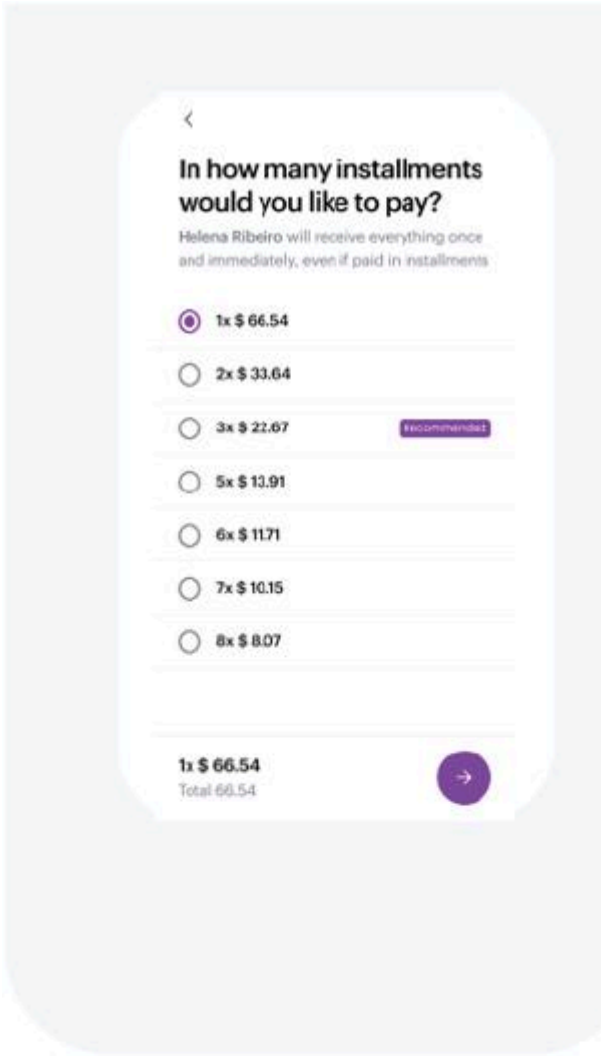
Features and benefits include:

- Low interest rate
- 100% digital loan application flow that is simple and transparent
- Money instantly deposited to customer’s NuAccount
- Flexibility to simulate a loan without any commitment
- Easy to anticipate loan installments in the mobile app

Pix financing

Enables credit card and digital account customers to make Pix transactions and instant peer-to-peer transfers in Brazil, using their credit line. Features and benefits include:

- Transparent, instantaneous and seamless experience, leveraging Pix infrastructure
- When funds are insufficient, customers have an easy alternative to make small day-to-day transactions
- Enabling customers to take advantage of Pix promotions with retailers while also keeping their spend concentrated in one place - their credit card bill
- Up to 12 installments, with the ability to anticipate installments, and up to a 90-day grace period
- Specific credit lines for product usage, expanding access to credit



Boleto financing (financing of bank slip payment)

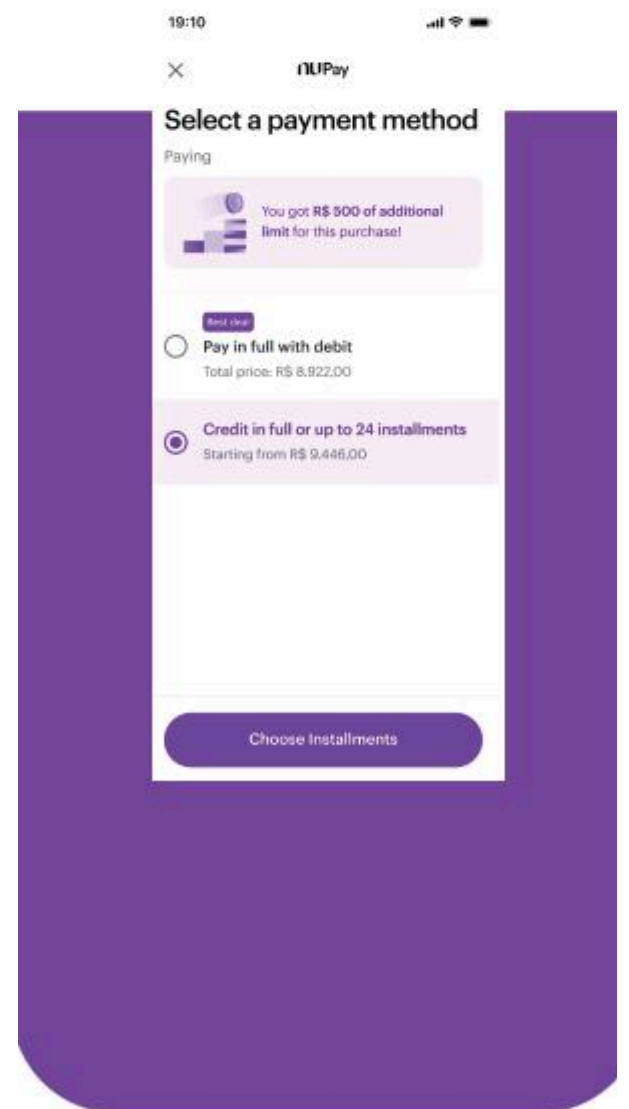
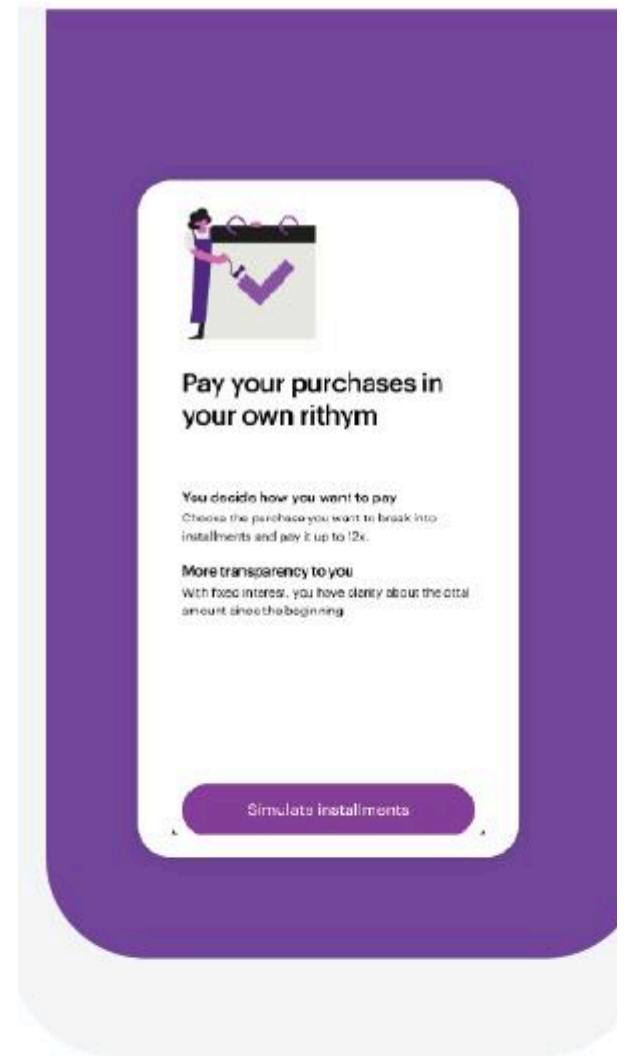
Enables credit card and digital account customers to make *Boleto* payments using their credit line. Features and benefits include:

- Transparent simulation process
- Customers can consolidate with their credit card utility expenses and rent while also taking advantage of retailer promotions offered with *Boletos*
- Up to 12 installments, with the ability to anticipate installments, and up to a 90-day grace period; and
- Specific credit lines for product usage, expanding access to credit

Purchase financing

Enables credit card customers to split their purchases into installments after a purchase. Features and benefits include:

- Transparent simulation process, allowing customers to compare the financing option with PSJ (interest- free installment purchases in Brazil)
- Customers can take advantage of retailer promotions offered with upfront purchases instead of PSJ
- Customers can split payments into installments for international purchases made via e-commerce and while traveling
- Gives flexibility to customers, granting relief with their bills when a large purchase is made; and
- Up to 12 installments, with the ability to anticipate installments



Cash-in Financing

Enables credit card customers to convert their credit card limit into money in their digital account. Features and benefits include:

- Transparent, instantaneous and seamless experience, leveraging credit card limit
- Provides a safety net to customers in case of an emergency
- Supports customers with monthly budget management
- Up to 12 installments, with the ability to anticipate installments

NuPay

A new and disruptive product that enables customers to make online purchases and pay for services, with just a few clicks, from partner merchants and within the Nu app, offering increased purchasing power as well as a more practical and secure experience. Features and benefits include:

- Increases customer’s purchasing power and merchant sales through higher limits compared to what is already available through a credit card
- Improves checkout conversion by simplifying the purchase experience
- Eliminates the risk of fraud and theft of credit card information since there is no need to type credit card information: customer authentication is done via an authorized/certified device with a personal PIN confirmation
- Supports both single and recurring payments for high-frequency transactions
- Enables customers to pay via debit, with their account balances, or via credit, upfront or in installments, with or without interest

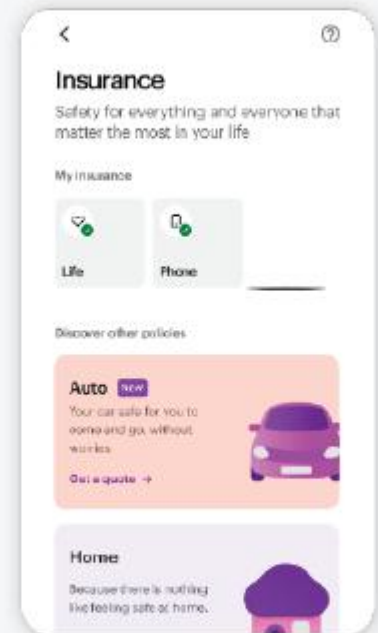
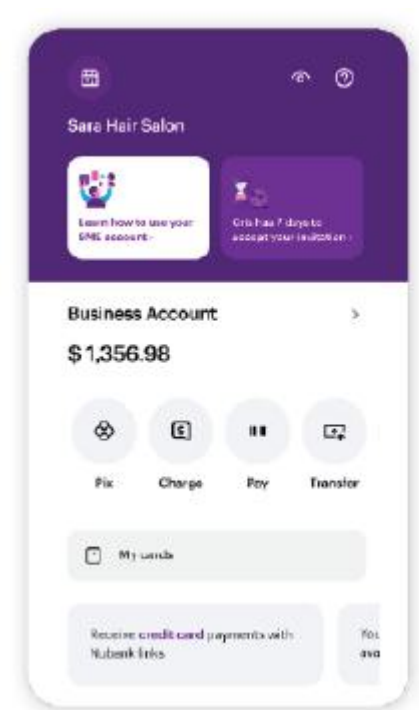
Protection Solutions

Our NuInsurance protection solutions are designed to help customers secure insurance products easily and at a low cost. Having started with life and then mobile insurance, we are now expanding our offering to five different insurance products. These are:

Brokerage of Life, Mobile, Home and Financial Protection Insurance Policies

All products are quoted, customized and contracted exclusively through the app. The underwriting is done by our partner, Chubb. The products can be customized by our customers, based on their needs and budgets. Features and benefits include:

- Premiums as low as US\$2 for NuLife
- Fast, simple, and clear application process
- Transparent and disruptive fee structure
- Packages fully customized to each customer’s circumstances
- Easy claims process
- 24/7 customer service



Beyond Financial Services Solutions

As our platform evolves from solely financial services to a comprehensive ecosystem, we are integrating consumer and lifestyle segments. We target areas with strong customer lifestyle affinity and essential services that are highly relevant to their lives, offering substantial efficiency and benefits and presenting significant potential for impact. These are:

NuTravel

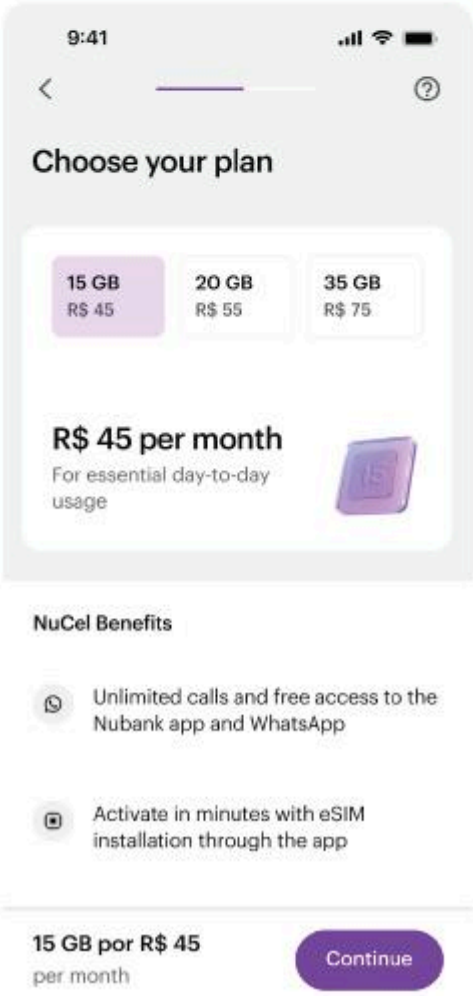
Our travel portal where customers can plan trips directly in the app, with the best price guaranteed and bundled with a multi-currency account. Services and benefits included:

- Book hotels
- Buy air tickets
- Multi-currency account in partnership with Wise
- International roaming via free eSIM

NuCel

Our mobile phone service in a MVNO partnership with Claro, is designed to transform the customer experience in the telecommunications industry, focusing on customer-centric decisions, eliminating complexities, ensuring transparency, and offering high-level service and support. Features and benefits include:

- Unlimited voice package for local and long-distance calls.
- Unlimited WhatsApp, including voice and video calls, and unlimited access to the Nu app.
- Access to an exclusive savings box with a return of 120% of CDI on amounts deposited by the customer, with a limit of up to R\$10,000, valid for one year





Our Approach to Risk Management

Our approach to risk management is core to our business model and has been designed to reduce friction and onboard a wide range of customers from unbanked to high income, while maximizing long-term value.

We continuously improve our risk management functions by using data and technology to reduce the risk in our business and improve our credit underwriting engine. There are four components to our risk management approach:

- **Enterprise Risk Management** – We developed an enterprise risk management and governance program that enables us to minimize risks while also delivering customers a frictionless experience. We do this by combining modern risk management systems employed by some of the most sophisticated financial services companies in the world with the latest in data science and machine learning models.
- **Low-and-Grow Approach** – When a customer has little or no available credit history, we deploy our low-and-grow methodology by underwriting a low-limit credit line and conditioning its growth over time, as we can increasingly ascertain their behavior and potential credit risks. This iterative approach has enabled us to effectively underwrite and onboard customers with little to no credit history, especially for lower income cohorts, and quickly distinguish the good borrowers from the bad ones.
- **NuX Credit Engine** – Our internally developed and supported credit engine, NuX, enables us to underwrite effectively, lowering delinquencies and fraud rates. Furthermore, its ability to compound with scale enables us to process, test, monitor and enhance our credit algorithms over time to effectively manage the risks of our credit portfolio. We believe NuX is able to optimize multiple targets simultaneously, underwriting to a large set of customers while maintaining sustainable levels of delinquency. Our models enable us to maximize longer-term value by offering competitive prices for our customers. We believe NuX is scalable to new markets, where we quickly iterate and launch new versions of our underwriting engine by collecting more data and incorporating third-party data sources.
- **Liquidity Risk Management** – Our liquidity risk framework leverages data to capture all contractual cash flows, on top of which we apply stress tests in line with our general credit models but more stringent. In addition, we increase stress levels in order to cover operational risk events that may impact our liquidity. The combination of both methods produces a severe yet plausible scenario that we believe helps ensure resilience from a liquidity management perspective.

Our Proprietary Technology and Data Platform

We use advanced cloud-based technologies and data science tools to deliver a superior experience for our customers in a hyper-scalable and secure environment. We prioritize building our own technology and investing in extraordinary engineering talent to operate and enhance a proprietary technology platform that was purpose-built for our mission. The key components of our technology include:

- **NuCore Technology Platform** – All of our products, services and operations are powered by NuCore, our proprietary, cloud-based core financial services platform that we designed and built from the ground up. NuCore enables us to centrally manage several key functions of the business, which provides us with greater speed and control to optimize our products and address the needs of the markets in which we operate. The key functions of NuCore include:
 - *Transaction Authorization and Processing* – enables us to efficiently monitor transactions across our ecosystem.

- *Core Banking* – enables us to manage all financial services applications and data across our ecosystem.
- *Regulatory Reporting* – enables us to manage regulatory requirements and generate reports for regulators in an automated environment.
- *Business Operations* – automates significant parts of operations across our business.
- *Credit Underwriting* – supports our proprietary data analytics and credit scoring algorithms necessary to differentiate our credit services from those of incumbents in the industry; and
- *Fraud Prevention* – enhances fraud prevention proactively and automatically, powered by our data analytics, artificial intelligence and proprietary algorithms.
- ***Experimentation Platform*** – We leverage an experimentation platform that enables us to quickly test, measure and validate all applications and data models before we deploy in a live environment, which helps us improve decision-making and agility when launching new technology.
- ***Microservices Approach*** – We use a versatile, decentralized technology architecture to manage and deploy more than 1,800 modular microservices that we developed. This advanced technology strategy enables us to scale, launch new products, enter new markets and update our codebase in a fast and highly efficient manner.
- ***Product Platformization*** – We designed our technology platform to enable product development and new capability deployment to occur seamlessly across our applications. Our platformization approach enables faster product and market launches.
- ***Immutable Database*** – We created an advanced, immutable ledger, utilizing the Datomic database technology we own, which provides us with a highly reliable audit trail and transaction history that we believe provides better accuracy, control, reliability and transparency when compared to traditional database architectures.
- ***Cloud-Based Architecture*** – We employ an architecture and infrastructure that is designed for scalability, efficiency and security. We operate in a fully cloud-based environment, leveraging the latest technologies to optimize our performance and increase capacity as needed, which enables us to manage our growth efficiently and cost-effectively. We partnered with Amazon Web Services to be our primary third-party cloud infrastructure provider.
- ***Machine Learning and Artificial Intelligence*** – Through the utilization of our data analytics and customer insights, we are able to employ artificial intelligence and machine learning algorithms to enhance our customer experience and product offerings. Using Nu’s available customer data, our systems power a self-driving experience where we provide customers with real-time recommendations on products that meet their specific needs throughout their financial journey.

- **Operate at Low Marginal Costs** – The architecture and various operating advantages of the NuCore Technology Platform enable us to run our business efficiently and with low incremental costs as we scale our business.

Our Customer Service and Support

We service and support our customers with convenient, caring and high-quality customer service and support teams. We also leverage technology tools to streamline the customer support experience, empowering our customer service agents. Together this combination of human-centric and technologically advanced support has enabled us to achieve an industry-leading NPS. Our customer service and support functions, processes and tools were designed from the bottom-up to embody our strong customer-centric culture, strengthen our relationship with customers and create fanatical ones who will refer Nu to their peers. These teams, technologies and programs include:

- **Xpeers** – We have assembled a team of highly trained and passionate customer service agents with a human-focused mentality who we call our Xpeers. Xpeers are trained to be subject-matter experts empowered to solve customer issues at first contact, which can be made by chat, email or phone. We utilize our data analytics and artificial intelligence insights to direct customers to the best-suited Xpeer team member, improving resolution times and, we believe, customer satisfaction. We employ a strategy of using internal and external resources for customer support that provides us with the ability to maintain the highest customer service quality alongside our hyper-growth.



- **WoW Approach** – We have developed an approach for our Xpeers that builds stronger human connections and delights our customers with excellent customer service. We call this our WoW Approach. Our internal team is trained to identify WoW moments, creating a special connection with customers and boosting it through unexpected personalized letters written by Xpeers, gifts, and/or experiences. The WoW approach is described by customers as an unforgettable experience, increasing the feeling of belonging. Additionally, many of them share their experiences with family and friends.



- Shuffle** – We have developed a technology platform for customer support agents (internal and external) that we call Shuffle. This platform provides agents with a robust interface that features a single go-to application for up-to-date information on the customer, interaction history, and insights into the likely problem the customer is encountering, which enables agents to address the issue quickly and efficiently. On the backend, Shuffle connects to our proprietary Intent Recognition and Job Distribution platforms, routing these inquiries to the team with the greatest level of expertise in this area, enabling them to tackle the next most important task in line. This ecosystem helps to maximize first contact resolution and minimize transfers and friction for the customer. Recently, we have also been implementing AI solutions as a Copilot feature in order to better support our agents with information to solve customers requests. As of December 31, 2024, we employed a dedicated team composed of product and design engineers to build and maintain technology tools for our agents.

Cybersecurity Efforts

Our security team monitors all employees and third parties who access our platforms and manages tight authentication controls and physical authorization technologies in all our operating environments. We also adopt safe coding and development best practices.

At the heart of this strategic imperative is our commitment to providing secure and protected products and services to our customers. We invest heavily in building internal capabilities to help ensure that our control systems meet the demands of our hyper-growth plan. We leverage our unique technology stack and engineering capabilities to continuously enhance our security layers. For instance:

- **Code to Minimize Vulnerabilities** – We utilize a less common code language, Clojure, which enables us to operate efficiently while minimizing our exposure to common cybersecurity vulnerabilities. We also have developed Clojure secure code analysis tools in-house. We have an internal program for updating outdated libraries and dependencies used in our environment, as well as software composition analysis tools that let us quickly identify vulnerable dependencies. We also update our code frequently, resulting in a constantly evolving environment, which we believe makes our code less vulnerable to being exploited. In the year ended December 31, 2024, we had an average of more than 1,000 code deployments per workday.
- **Continuous Security Testing** – We believe in building confidence in our cybersecurity through practical, continuous and independent testing. We have a public, responsible disclosure program and private bug bounty program with Bugcrowd, an industry-leading external partner in crowdsourced security testing. We conduct frequent penetration tests with a variety of external security partners, as well as an internal highly-skilled offensive security team to further secure our critical internet-facing infrastructure and mobile applications. We also perform other types of security assessments such as adversarial simulation, red team missions, and purple team exercises in conjunction with our defense teams, in addition to continuous vulnerability scans and fixes within our infrastructure. We analyze our source code to identify and fix cybersecurity issues and develop secure training and guides for our engineers. Our Infosec team also creates specific best security practice guides for development teams.
- **In-Depth Vendor Security and Onboarding** – We run in-depth security due diligence and continuously assess vendors and suppliers we bring onboard, to help ensure that our security standards are being met.
- **Specialized security teams** – We understand the need for experts that have a deep technical understanding of a specific scope. That is why we have different teams focused on specific security areas: cloud security, blockchain security, application security, mobile security, AI security, and incident response, among other areas. This enables us to keep track of the latest cyber attacks and zero-days on the market, and to help us react to new developments before attackers can. We also have a red team specifically focused on simulating adversarial activity to replicate attacks seen in a security area. Lastly, we have an internal incident monitoring and response team focused on identifying anomalous behavior and reacting immediately against security threats.
- **Cybersecurity Intelligence** – We have an in-house threat intelligence team working to track and disrupt cyber criminals before they can launch attacks on us and our customers. We complement this capability with threat intelligence partners who are embedded in the hacker community to identify indicators of risk.
- **Security, Privacy, and Data Protection** - Security, Privacy, and Data Protection are non-negotiable for us. We work to safeguard information and assets from our customers, prospects, employees and partners. This effort is evident through our multifaceted approach to identifying and addressing vulnerabilities, including security testing by both our in-house team and a dedicated community of security researchers.

For more information on our cybersecurity risk management efforts, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Intellectual Property, Privacy and Cybersecurity— Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation,” “Item 11. Quantitative and Qualitative Disclosures About Market Risk— Information Technology Risk” and “Item 16K. Cybersecurity—Cybersecurity Risk Management.”



Our Marketing and Distribution

We believe we have created a virtuous cycle that leverages our high-quality products and services to delight customers, who may then refer us to their family, friends and peers. Over time, this strategy has enabled us to grow virally and acquire approximately 80-90% of our new customers organically each year since our inception, either through word-of-mouth or direct unpaid referrals, without the need for significant performance marketing expenses. This low-cost approach enables us to focus resources on improving the customer's experience, which further enhances the virtuous cycle of our member-get-member strategy.

We also employ various social and digital media initiatives to drive greater awareness and support across our ecosystem, foster the development of our online NuCommunity portal, and promote our member-get-member strategy. These include:

- **Proprietary Financial Education Content:** We have a proprietary educational content platform that we believe is a differentiated and powerful tool to strengthen our brand, increase awareness, attract new customers, and improve engagement with existing customers. Our diverse content is distributed through multiple digital and social channels, including our blog, which has become a powerful search engine optimization benchmark in Brazil, covering more than 435,000 keywords, from smart use of our products to improving our customers' financial lives, to overall financial education. From January to December 2024, the blog amassed nearly 47 million unique visitors. Additionally, we distribute content through InvestNews, our proprietary content channel that offers daily coverage of news and educational content on economics, investments, finance and politics, which had 17.5 million unique visitors in 2024.
- **Social Media:** Nu’s proprietary profiles on social media publish educational content on a daily basis, focusing on banking safety, financial security and general topics related to the financial markets. Across platforms, we published over 1,500 posts in 2024 that aimed to educate and guide our 15 million followers and other social media users to a less complex financial life.

Nu's Consolidated Highlights for 2024



Total impressions:

1.4B



Total engagement:

16.3M



Total followers:

15.0M

Followers by platform:



2.5M



3.8M



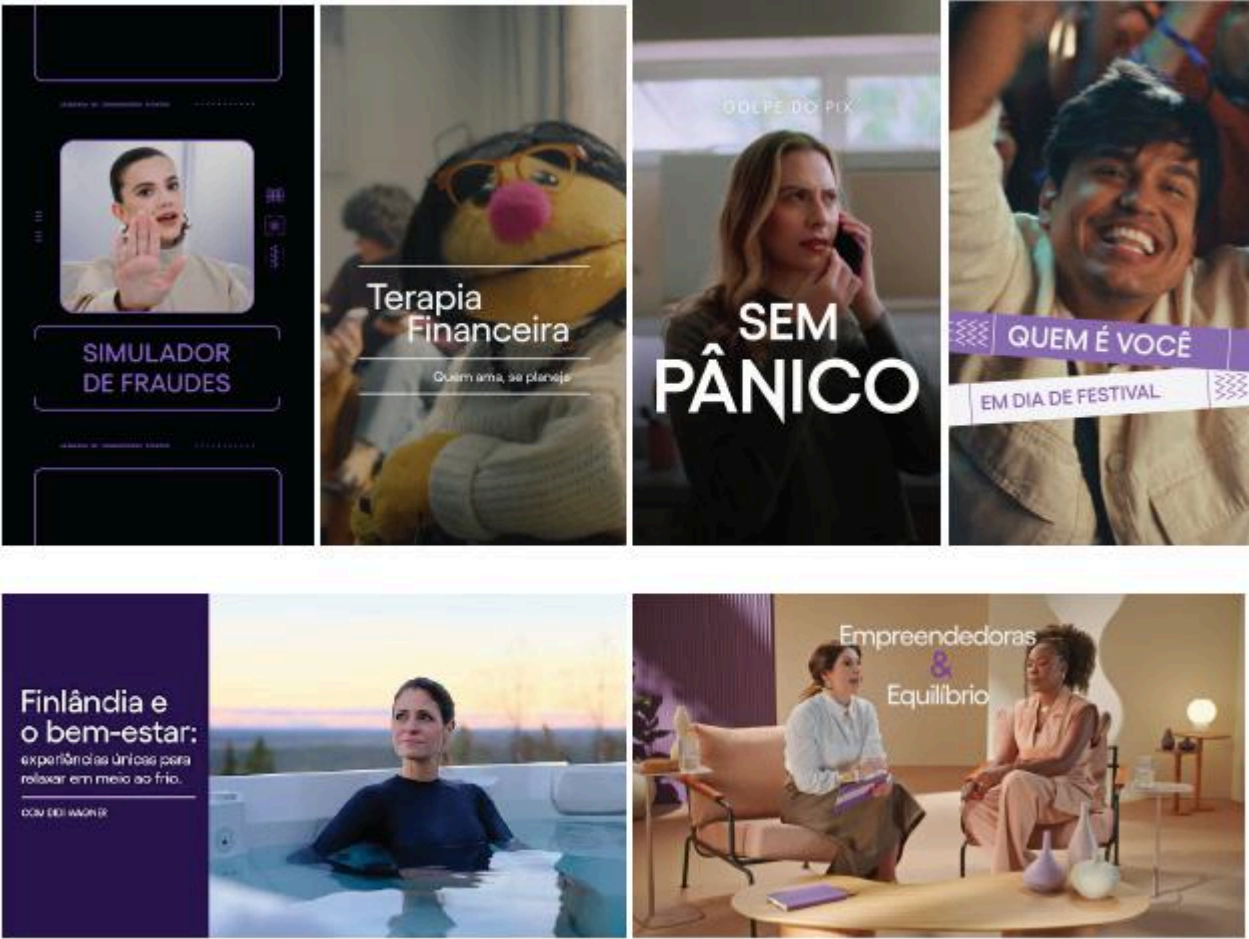
5.6M



2.5M

Source: Nu

- Influencers:** In addition to the content published by Nu in its proprietary channels, in 2024 we also worked with 119 content creators to publish 780 posts with messages on how to make financial decisions less complex. The posts have reached over 139 million social media users (total reach), with an impressive 2.8% engagement rate and more than 3.9 million social media reactions (total engagement includes likes, shares, saves, comments).

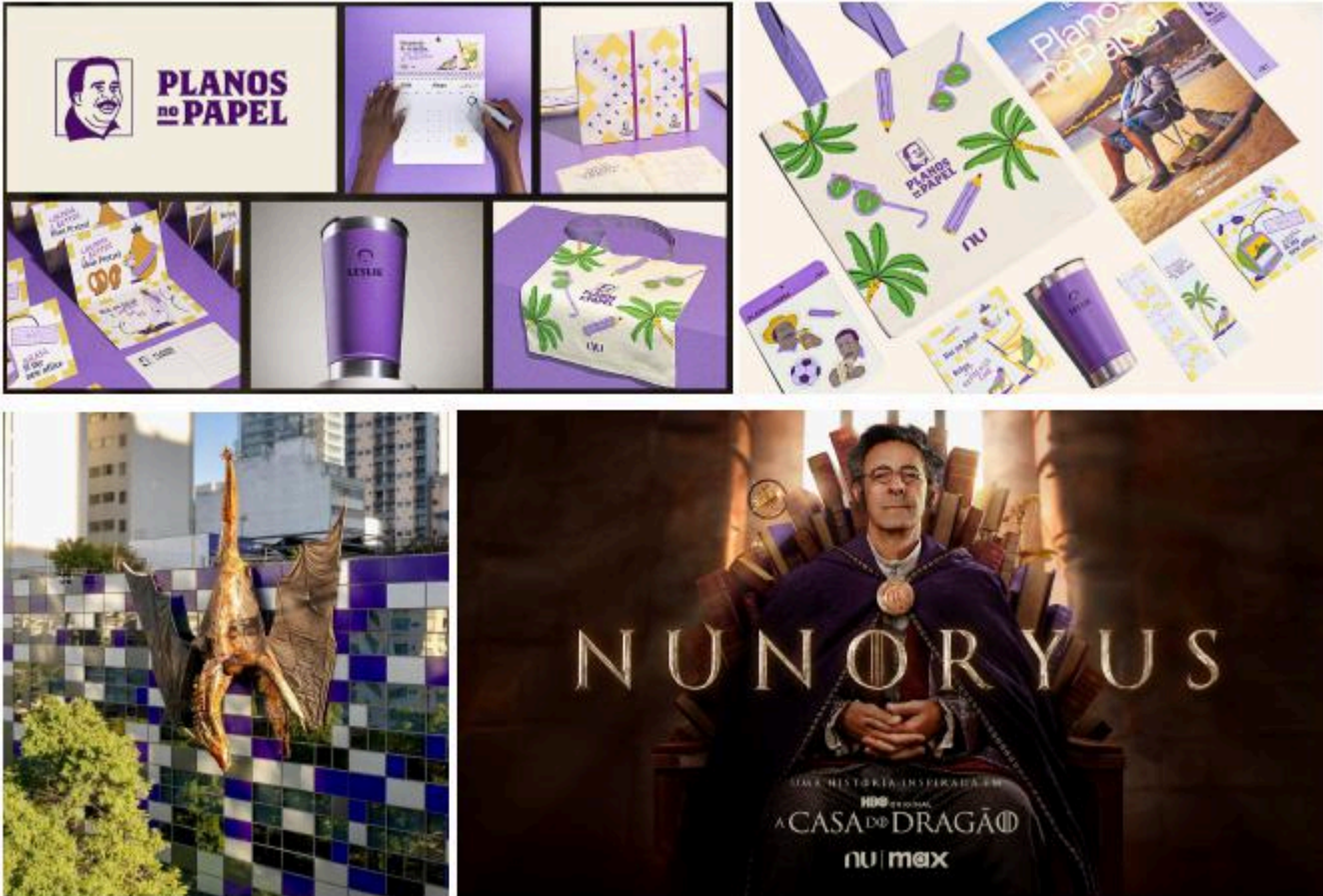


Nu Brazil Marketing

For Nu Brazil, 2024 was the year in which we consolidated our marketing strategy, officially launching Ultraviolet (our high-income brand) at scale, while strengthening Nu's brand connection with our core customers segment. Through a national, full-funnel media strategy, which spanned from open TV and out-of-home (OOH) all the way to digital, combined with high impact sponsorships, such as Brazil's number one news show, *Jornal Nacional*, we were able to accelerate funnel metrics as well as key brand attributes for both UV and Nu. We also successfully launched Nubank+, a subscription-based service aimed at those who want to get even more advantages from their relationship with Nu, with benefits such as cashback on purchases and access to streaming services, such as Max.

For Nu Brazil's Mass Market segment, our marketing strategy focused on two primary objectives: (1) reinforcing our brand's emotional connection with core customers by engaging in high-affinity domains, such as movies and highly-rated TV shows like *House of the Dragon* and *Friends*, and by leveraging key business milestones to emphasize customer centricity; and (2) continuing our strategy that was initiated in 2023 to highlight our product portfolio's completeness and to support our cross-sell agenda, including by scaling our automated cross-sell efforts through Purple Loop, our proprietary infrastructure fueled by AI models. We also made significant strides with our CRM capabilities, which enabled us to accelerate product adoption across the board.

These marketing efforts resulted in a more than 10% increase in our already-high affinity score ("a brand for someone like me") among mass market customers during 2024, a 10% increase in our portfolio completeness perception among mass market customers, and a 22% increase in client preference compared to December 2023 - all measured by our internal brand health tracker (BHT). Nu concluded 2024 as the Brand Power leader among financial institutions in Brazil, with 12.1 points, 2.3 points ahead of the second-place brand, according to data from Brand Equity study, a proprietary Kantar methodology.





In 2024, we officially launched Ultraviolet as a premium brand, targeting high-income customers in Brazil. We positioned it as a comprehensive tier that goes beyond a black card. The Ultraviolet brand experienced significant growth, increasing in awareness, consideration, and preference, among both clients and non-clients.

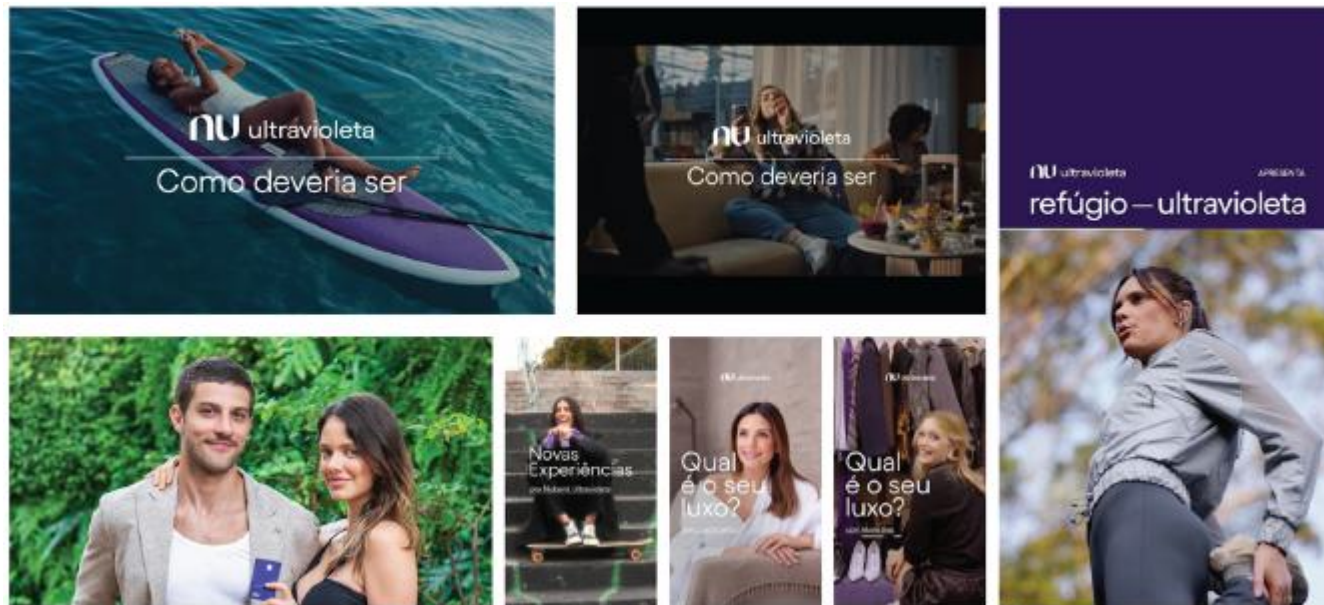
Regarding brand image, Ultraviolet improved across all dimensions and surpassed established competitors, with the most substantial gains in solidity, customer centricity, and affinity. Brand affinity increased by 11p.p. year-over-year and reflects how both clients and non-clients view Ultraviolet as a brand that resonates with them, driven largely by personalized experiences.

Several promotional initiatives contributed to enhancing brand affinity and establishing Ultraviolet as a sophisticated lifestyle brand: a beach club operating during Brazil’s summer; a collaboration with Disney on the animation film “It’s Not a Monster,” addressing financial awareness in a playful and entertaining way; and the Ultraviolet House, an exclusive space for relaxation and well-being, providing support for customers visiting Ibirapuera Park in São Paulo.



In 2024, we executed several strategic initiatives to enhance the Ultraviolet brand ecosystem and perception of portfolio completeness:

- Our year-long, targeted paid media campaigns reached 9.9 million clients and non-clients, capturing 99% of the high-income Brazilian audience, and effectively addressing all brand funnel stages: awareness, consideration, and conversion.
- The launch of an influencer program and social media initiatives that significantly increased engagement and affinity among high-income audiences with 156 million impressions, 1.3 million followers, and 1.8 million total engagements in 2024.





- The introduction of more than 17 product launches and go-to-market strategies, strengthening our value proposition and boosting brand perception with a slogan that "UV offers all I need."
- A focus on differentiating Ultraviolet in the travel sector with innovations such as a multicurrency account, complimentary international e-Sim, and an exclusive marketplace with special pricing on travel services.

Nu Mexico Marketing

In 2024, Nu Mexico doubled its customer base reaching over 10 million customers. Our marketing strategy assisted this growth through several initiatives, such as targeted campaigns and an optimized digital presence. Some of the highlights of 2024 include:

- Brand & Product Health Trackers: Reached 84% awareness (an increase of 14p.p. year over year) and achieved 60% consideration (an increase of 16p.p. year over year). These results position us in third place in terms of brand consideration in the banking category (including both traditional banks and fintechs).
- Campaign - "Welcome to the Nu Age" (*Bienvenido a la Era Nu*) launched with an organic approach focused on creating compelling content and experiences to generate traction, followed by the deployment of a targeted paid media campaign, generating positive results.



- The campaign “Feel the Nu Age” (*Siente la era Nu*) launched our second full funnel initiative of the year, only 3 months after our previous campaign.





- Launch of new products and features: We successfully launched more than six product features this year such as: remittances, locked deposits, bill payments and cash in, enhancing our portfolio value proposition and delivering greater customer value through direct communication to increase adoption.





Nu Colombia Marketing

General Overview

For Nu Colombia, 2024 was the year in which we consolidated our marketing strategy, focusing our efforts on mass market and high income customers. Following the launch of Cuenta in June 2024, we initiated a national full-funnel media strategy reaching the broader Colombian population, targeting both our mass and affluent segments. With the launch of Nu Colombia's savings account in June 2024 as the second product of the portfolio, we were able to grow from 1 million to 2 million customers in less than 5 months. This positioned us as the 4th largest savings account provider for individuals in Colombia in December, 2024 in accordance with Superintendencia Financiera.

Our marketing strategy also included high impact sponsorships to accelerate funnel metrics as well as key brand attributes for Nu Colombia. We commenced a sponsorship program with the Colombian cycling team, aiming at reinforcing our brand's local connection with Colombians, which increased awareness by 12% year over year (Brand Health Tracker Q2'24 by Offerwise). Some of our achievements in 2024 include:

- We ended the year with the highest brand health metrics in Nu Colombia's history: brand awareness among the total population increased by 14p.p. compared to 2023 (Brand Health Tracker Q2'24 by Offerwise).
- We successfully launched our savings account campaign, achieving a product awareness increase of 26p.p. compared to the first half of 2024.
- We became the 4th largest financial entity in terms of individual account deposits.
- Our sponsored cycling team won two of the most important races in Colombia (Vuelta a Colombia and Tour Colombia), secured its first international victory at the Tour de Rio and finished the year ranked as the number 1 team in the country. We increased sponsorship awareness by 19 percentage points and became the number one top-of-mind brand in Colombia within less than a year of launching the program.

Results of Key Initiatives in 2024: To continue effectively positioning our brand in Colombia and deliver improvements in brand metrics, we focused on the following:

1) 1 Million Customers

In May 2024, Nu celebrated reaching 100 million customers globally and 1 million in Colombia with the "You at the Center of Everything" campaign. The campaign aimed to highlight the importance of customers in Nu's success and reinforce its position as a customer-centric financial institution

Key campaign activities included projecting customer faces and names on The Sphere in Las Vegas, amplifying visibility through various media channels, and engaging customers through offline events and social media.

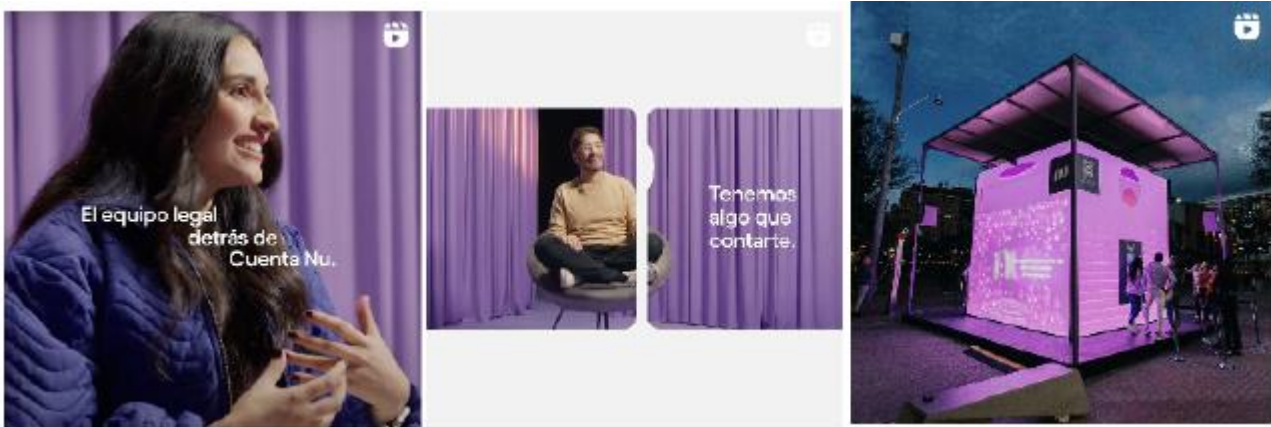
The campaign achieved results in Colombia by reaching 15 million people within its target audience and attracting 441,000 new users to Nu's website. It achieved record levels of brand recognition at 67%, brand linkage at 74%, and brand recall at 55% (Brand Health Tracker Q2'24 by Offerwise), marking the highest in Nu's history in the region.



2) Cuenta launch

Nu Colombia's new savings account product was launched in June 2024 with a campaign titled “Dear Future” (Querido Futuro), which aimed to highlight the strong demand and anticipation for Nu's offerings and cement its position as a leading financial institution in Colombia.

Key campaign activities included reaching over 6 million people through organic content and collaborations with content creators, amplifying the announcement with over 120 press articles, achieving 100% positive favorability, launching a landing page that connected with more than 1.6 million people.



3) Efecto Morado

In November 2024, we launched a campaign titled “the Purple Effect” (*Effecto Morado*) to emphasize why customers invite others to join Nu, highlighting attributes like safety, control, and exceptional customer service. While primarily a trust campaign, it also aimed to encourage word-of-mouth applications through social proof.

Key campaign activities included publishing a letter from Nu Colombia's general manager in major national newspapers to launch the campaign and amplifying the announcement with video and image messages through a national full-funnel media strategy, including open TV, radio, out-of-home (OOH) and digital media.



The campaign achieved significant results with just the initial letter reaching over 500,000 people, achieving positive social media results. Overall, the campaign brought approximately 1.5 million new users to the website, and with the successful collaboration of Nu's Growth team. These results underscore the campaign's effectiveness in building trust, expanding Nu's reach, and fostering customer acquisition.



Deep Dive on Our Industry Background and Market Opportunity

We estimate our total revenue potential opportunity in Latin America based on six key market components.

A. Payments

Pix

Pix was officially launched by the Central Bank of Brazil in October 2020 to increase competition and market efficiency, reduce transaction costs, and democratize payments in Brazil by promoting financial inclusion. According to the Central Bank's data, 163 million Brazilian users, or 77% of the population, have already made a Pix transaction and 156 million own an active Pix key as of December 2024. Nubank uses Pix as the default transfer method and maintains alternative existing methods only for exceptional cases. Up until September 2024, person-to-business Pix already accounted for 34% of the country's household consumption - 9 percentage points increase compared to 2023 - negatively affecting cash, *boleto*, and *Doc/TED* transactions mainly and debit cards to a lesser extent.

Total Pix transaction volumes reached US\$4.9 trillion in 2024, a 54% FX-neutral increase over 2023. During this time, our market share reached close to 20% in transfers originations and we believe we are the market leader in terms of the number of registered and active Pix keys in Brazil. To enable alternative forms of transfers, Nubank introduced Pix Financing, allowing users to make transfers backed by the customer's credit card limit.

Cards

In Brazil, credit cards are a widely used payment method that represents close to 40% of household consumption according to ABECS, partly due to a distinct market characteristic that allows individuals to make purchases and pay them off in multiple installments free of interest charges (*Parcelado Sem Juros*). The product has supported financial inclusion and was a major driver of Brazil's impressive surge of its banked population in the last years. The share of active card holders now exceeds 50% of the population aged 14 and above, according to BCB, IBGE and internal analyses. Nubank has played a key role in this disruption by providing first-time access to millions of individuals, reaching more than 60 million unique credit card customers in December 2024 (34% of the population aged 14 years old and above). While credit card financing is used significantly less in Brazil compared to other markets, recent innovations by Nubank and peers - such as enabling installment plans for past purchases, Pix financing, and other features - have contributed to growth in this segment. In 2024, total market credit card purchase volume reached US\$512 billion in 2024, growing 15% year over year on a FX-neutral basis, according to ABECS, an increase from the 12% observed in 2023. This growth was driven primarily by the resumption of underwriting activity industry-wide following a period of elevated non-performing loans. Debit and prepaid cards purchase volumes reached US\$257 billion in 2024, expanding 4% over 2023. In 2024, Nubank reached a market share of 15% in total card transaction volumes, according to ABECS.



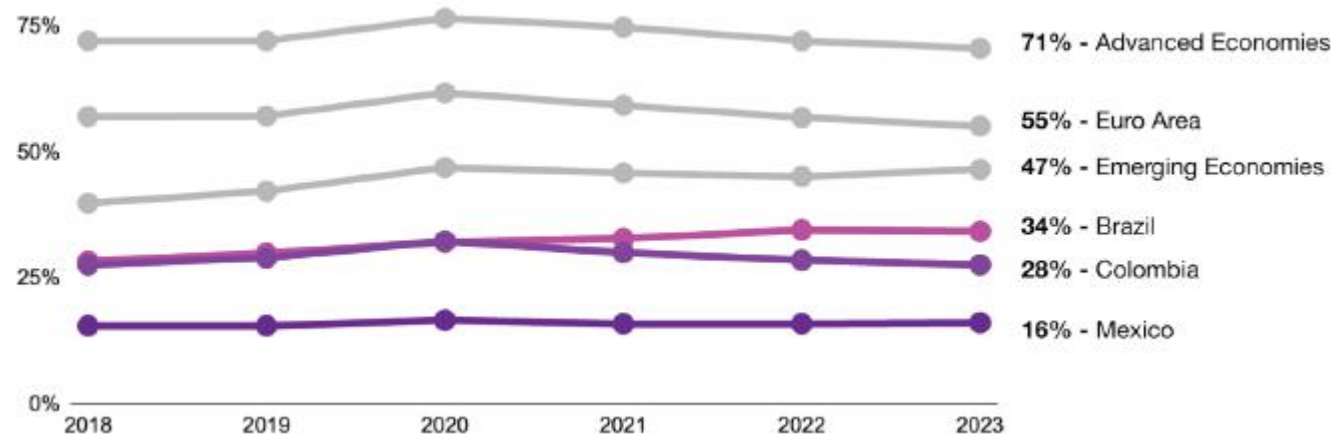
We see Mexico as a market with a large opportunity to democratize access to this product, primarily through gains over cash transactions and other means. Only 11% of the adult Mexican population owned a credit card at a bank, according to INEGI, as of December 2021. Since then, the number of credit cards issued by banks rose more than 30% and competition from fintechs has grown considerably in the last years, many of which operate as Sociedades Financieras Populares (Sofipos), such as Nubank currently does. Nevertheless, the market is still dominated by incumbent banks, with the five largest players holding close to 70% of the credit card industry's portfolio. In 2024, Nubank reached 5.6 million credit card customers, growing 70% over 2023 and contributing to increasing the product's penetration in Mexico, as 50% of these customers reported having no credit card before using Nu. As a result, our market share in terms of purchase volume surpassed 5% according to Banxico statistics.

In Colombia, credit cards are similarly less present among consumers with a penetration rate of approximately 22% in 2023, according to the SFC. This industry is also highly concentrated among several incumbent banks: 75% of the product's outstanding balance and 77% of the credit card purchase volume was held by the five largest institutions. In this context, Nubank expanded its customer base from close to 800,000 customers in December 2023 to more than 1.2 million customers in December 2024, leading to consistent market share growth.

B. Retail Credit for Individuals

Retail credit in Latin America is highly underpenetrated relative to developed economies, representing a strong growth opportunity. According to the latest BIS Total Credit to Households database from June 2024, the average household debt-to-GDP ratio in our markets ranged between 16% and 34%, compared to 47% for a group of 10 relevant emerging economies, 55% of the Euro Area, and 71% of other 15 developed economies.

Household Credit (% of GDP)



Retail Credit Portfolio by Product (US\$ billion)¹

Credit Product	2024 average			2023 average			YoY Growth (% FXN)		
	Brazil	Mexico	Colombia	Brazil	Mexico	Colombia	Brazil	Mexico	Colombia
Mortgage	205	76	24	198	72	20	12%	8%	12%
Payroll	122	21	18	123	20	17	8%	10%	2%
Auto	59	15	5	54	10	5	18%	50%	1%
Personal Loan	56	13	15	52	12	17	16%	14%	(15)%
Credit Card ²	104	32	9	101	29	9	10%	14%	(1)%
Other	145	5	2	141	4	2	12%	19%	6%
Total	691	162	73	669	147	70	12%	13%	0%

Note 1: Exchange rates: BRL 5.00, MXN 17.74, and COP 4,310.48 are equivalent to USD 1.00 for 2023 data; and BRL 5.39, MXN 18.33, and COP 4,074.25 to USD 1.00 for 2024 data, respectively for BCB, Banxico (November 2023 data) and SFC (November 2024 data) information. FXN refers to the year-on-year variation in local currency as described in *Presentation of Financial and Other Information*.

Note 2: Includes installment financing and revolving balances.

According to the BCB, Banxico and the SFC, the average outstanding loans to customers reached US\$691 billion in Brazil, US\$162 billion in Mexico and US\$73 billion in Colombia in 2024. The composition of these balances varies somewhat among these markets. While mortgage is the largest product in these geographies, the share of credit cards stood at 13% for Colombia, 15% for Brazil, and 20% for Mexico. Non-payroll personal loans have a smaller portfolio share in Brazil and Mexico (8% in each) and a higher share in Colombia (21%), while payroll loans accounted for 13% of the consumer credit portfolio in Mexico, 18% in Brazil and 25% in Colombia. Auto financing loans contributed 7% of this total in Colombia and 9% in Brazil and Mexico. Finally, other loan types had a low share of the total in Mexico and Colombia (3% each) but reached 21% in Brazil, including products such as rural loans, overdraft loans, renegotiations, leasing, and microcredit, among others.

Payroll Loans

Payroll loans are Brazil's second largest loan product in terms of credit portfolio (US\$ 122 billion), targeting a wide range of customers, such as public and formal private company workers, retirees and pensioners. Payroll loans are usually lower risk credit lines with attractive prices and relatively long tenures, partly distributed by third-party intermediaries in exchange for commissions. In 2023 there was a greater emphasis on the regulatory agenda, under which the National Social Security Council (CNPS) established an interest rate cap on payroll loans distributed to retirees and pensioners (INSS payroll loans), defining the SELIC rate as its benchmark index. We launched payroll loans in April 2023 and believe our business model for payroll loans positions Nubank with competitive advantages that enable us to keep scaling in this market: (i) lower interest rates compared to competitors due to cost efficiency as we do not use intermediaries to distribute our product. According to the Central Bank of Brazil's interest rates statistics report released in December 2024, Nubank already had one of the lowest interest rates for payroll loans. Additionally, we believe Nubank offers a better customer experience: the journey to acquire the product is completely digital, enabling customers to complete the transaction without exposing their financial situation, and cash disbursement occurs significantly faster—often within minutes.

Personal Loans

In Brazil, personal non-payroll personal loans include unsecured and secured lines of credit, including the products offered by Nubank described below:

Unsecured Personal Loans

Unsecured personal loans constitute the largest revenue pool of loans to consumers in Brazil, according to our estimates (US\$26 billion, representing 38% of total consumer credit revenue). New loan originations accelerated to a 32% FX-neutral growth over 2023. Nubank was one of the main drivers with a 24% market share in the year, resulting in a 10% share of the product's outstanding balance in December 2024, according to BCB data.

Our personal unsecured loans are easy to manage and are 100% digital for our credit card and digital account customers. Our customers are in control from the pre-loan simulation through loan management. Features and benefits include: 100% digital, real-time underwriting, money instantly deposited to the customer's NuAccount; transparent loan terms, supported by easy in-app simulation of different loan conditions; simple loan management in the mobile app puts the customer in control of installments and principal payments; and self-service installment anticipation, with discounts, and renegotiation in the mobile app.

FGTS-backed Loans

The Brazilian FGTS (*Fundo de Garantia do Tempo de Serviço*) is a mandatory savings fund in which formal employees and employers contribute a percentage of the employee's salary each month. Its main purpose is to provide financial security to workers, and the funds deposited into the FGTS are not directly accessible by the employee during their employment but can be withdrawn under specific circumstances, such as: purchasing a home; retirement; and difficult situations, which may occur with dismissal without just cause or in the event of serious illnesses. The FGTS “anniversary withdrawal” was created in 2019 and provides the option to access a fraction of these resources annually. With that, a new secured personal loan product was launched in April 2020 using the FGTS anniversary withdrawal as collateral, providing an attractive product in terms of price. This collateralized personal loan product became widely adopted and now represents over 30% of the personal non-payroll loans category, with an outstanding balance of more than US\$16 billion as of December 2023, according to publicly available data published by the FGTS. Nubank launched the FGTS-backed loan in September 2023, and it represented more than 10% of our new consumer loan originations in 2024.

Investment-backed Personal Loans

Investment-backed loans gained popularity as digital and incumbent institutions introduced them as a new personal loan product in the context of a low SELIC rate environment in recent years. Although there are no consolidated industry figures available on the product, we estimate that it expanded sharply from 2020 until 2023 and moderated somewhat in 2024. We estimate that it may have reached close to 10% of total personal non-payroll loans in Brazil. Nubank launched this product in June 2023 and it represented less than 5% of our new consumer loan originations in 2024.

Credit Card Financing and Revolving

The Brazil's banking industry total credit card interest earning portfolio totaled US\$25 billion on average in 2024, or 24% of the total outstanding credit card receivables, while the remaining 76% are defined as transaction balances - referring to upfront credit card purchases and *Parcelado sem Juros*, or “PSJ”, transactions (i.e. installment purchases that do not bear interest charges and that amount to almost half of purchase volumes, usually in up to 12 installments).

During 2023, discussions among credit card industry stakeholders were held regarding a potential cap on revolving interest rates required by the government due to the relatively high level of interest rates on the product, driven primarily by the large number of PSJs in the industry and their impact on household debt levels and default rates. The CMN (*Conselho Monetário Nacional*) limited revolving interest balances equivalent to a maximum of 100% of the customer's principal outstanding revolving loan, starting in January 2024. Nubank expanded its credit offering to consumers and small businesses through our Pix and bill financing products.

Credit underwriting

Incumbent banks in Latin America have traditionally focused on the most affluent segments of the population. Operating under a higher cost-to-serve model than digital banks and relying on legacy underwriting frameworks, incumbents have struggled to effectively serve customers from the less affluent segments. We believe this represents a significant opportunity to continue advancing financial inclusion in the region.

Additionally, we have made considerable progress in launching products and features on our app to expand offerings to higher-income segments, and have a clear and well-defined development pipeline for the coming years, seeking to address the needs of all customer segments in Latin America.



When analyzing the distribution of retail loan balances by income brackets relative to the number of households in each bracket in Brazil, we observe that retail credit remains concentrated among high-income individuals who according to our internal estimates, concentrate for close to 32% of the industry's revenue while representing less than 3% of the adult population.

Brazil Retail Credit Portfolio by Consumer's Income Segment

	<1x Minimum Wage	1–2x Minimum Wage	2–3x Minimum Wage	3–5x Minimum Wage	5–10x Minimum Wage	>10x Minimum Wage
Monthly Income (US\$) ¹	<259	259 – 518	518 – 777	777 – 1,295	1,295 – 2,591	>2,591
2024 average Credit Balance (US\$ billion) ²	47	91	63	86	105	230
2024 average Credit Balance (% share)	7%	13%	9%	13%	15%	33%

Note 1: Exchange rate: BRL 5.39 to USD 1.00 for 2024 data; Source: BCB.

Note 2: Credit Balance includes credit card balances, personal loans, payroll loans, auto loans, home mortgages, and others. The BCB reported US\$69 billion outstanding credit balance with no available information on the consumer's income levels, accounting for 10% of the total credit.

¹ Credit Balance includes credit card balances, personal loans, payroll loans, auto loans, home mortgages, and others. The BCB reported US\$69 billion outstanding credit with not available information on customer income levels, accounting for 10% of the total credit.

We use an internally developed credit engine, called NuX, leveraging proprietary and alternative data sources to effectively underwrite and monitor our credit products. Our NuX Credit Engine, supported by a dedicated team, is self-learning and benefits from increasing scale as we test, monitor and enhance our credit algorithms. We acquire, store and analyze an enormous amount of data that we use for our decision-making processes, to reduce risk and to enhance the customer experience.

We typically collect more than 30,000 data points per monthly active customer, which we use to better understand their behavior, risks and financial needs, enabling us to deliver personalized credit strategies and offer the best product for each customer’s specific financial situation.

By using our unique data and advanced NuXCredit Engine, we underwrite customers and manage credit risk with a focus on optimizing long-term Net Present Value (NPV), rather than focusing on short-term Non-performing Loans (NPLs). This allows us to pursue sustainable and resilient growth while complying with Nu's risk appetite. Our 90-day consumer finance delinquency rate (NPL ratio), as of December 2024, was 7.0%. This indicator may not be directly comparable to market figures as the customer and product mix vary significantly among institutions.

In our operations in Mexico and Colombia, we expect, based on internal estimates, that delinquency levels may be higher than in Brazil due to a higher share of the interest earning portfolio relative to the total outstanding credit card portfolio, along with each market’s unique characteristics and overall credit penetration.



In Mexico, our non-performing loan share of our loan book is similar to levels seen among Sociedades Financieras Populares (Sofipos), including Fintech players whose metrics are structurally higher than reported by incumbents, according to CNBV data and our internal analysis. We believe that low credit card adoption rates and a relatively high unbanked population in the country are partly responsible for this discrepancy, and we expect the gap to narrow as financial inclusion rises.

In Colombia, where financial inclusion is comparatively higher than in Mexico, and based on data available for a limited number of digital subsidiaries of incumbent players serving primarily less affluent segments, our overall credit risk levels are close to the market average for such comparable players.

C. Credit to SMEs

According to the BCB, the country’s credit portfolios related to SME’s and MEI’s (individual microentrepreneur) averaged US\$206 billion during the period between January and November 2024, growing 6% on a FX-neutral basis over 2023. This is a market that has been gaining attention in recent years, as it has historically received less focus than the Corporate sector and typically lacks the same level of service customization offered to the retail sector. Nubank has been carefully developing solutions especially for MEIs, Micro and Small companies as this market evolves.

Brazil MSME Credit Portfolio by Company Size (US\$ billion)

Company Size	2023 average		2024 average		YoY Growth (% FXN)
Micro or "Microempresa (ME)"	17		16		3%
Small or “Empresa de Pequeno Porte (EPP)”	70		66		2%
Medium or “Empresa de Médio Porte”	115		115		8%
Total MSME and MEI	210		206		6%

Notes: Exchange rates: BRL 5.00 is equivalent to USD 1.00 for 2023 data; and BRL 5.39 to USD 1.00 for 2024 data, respectively. FXN refers to the year-on-year variation in local currency as described in *Presentation of Financial and Other Information*. Source: BCB (November 2024 data).

According to SEBRAE, there were 19.7 million SMEs in Brazil, defined as companies with less than US\$889,878 in annual revenue, as of 2024. Within this total, microenterprises accounted for 11.7 million businesses, in which the individual entrepreneur has no more than one employee and annual revenue does not exceed US\$15,017.

The activities of MEIs are broadly diversified, but for the most part these micro entrepreneurs are active in retail commerce (i.e., apparel, food and other products) and retail services (i.e., repair services and others). As such, they seek banking services that are simple, transparent and fairly priced to meet the day-to-day needs of their businesses.



Our business account is designed specifically for customers who run businesses. We provide a business checking account and business prepaid card, offer unlimited wire transfers and allow customers to issue *boletos* to receive payments from customers, all free of charge. As of December 2024, our PJ account in Brazil had 4.7 million SME customers, an increase of 31% compared to December 2023. According to our internal analysis, we are among the five largest MSE (Micro and Small Enterprises) players in Brazil by number of clients, reaching approximately 24% of all CNPJs registered in the country, according to BCB data.

D. Customer Assets

Account

As of December 31, 2024, the number of unique customers with accounts in Brazil reached more than 199 million, an increase of 2.9% compared to 194 million as of December 31, 2023. More than 47% of these individuals had an active account with us as of December 31, 2024, compared to 42% on December 31, 2023. This performance confirms the strong presence of the NuAccount (and our brand) in Brazil.

We estimate that, as of December 31, 2024, Brazil had US\$387 billion in customer deposits, including demand, time and savings deposits, a 12% FX-neutral increase compared to US\$374 billion as of December 31, 2023. Time deposits grew 19%, demand deposits grew 15% and savings grew 5%, compared to December 31, 2023, according to the ANBIMA, the BCB, and internal analyses.

With Cuenta Nu in Mexico, which reached 1 million customers within one month of its official launch in May 2023, and more than 8 million as of December 2024, Nubank seeks to contribute to financial inclusion in Latin America's second largest market. Mexico remains significantly underpenetrated in terms of financial services and cash remains by far the most used payment method with a 38% share, as per Worldpay's “The 2024 Global Payments Report”. Our long-term strategy is to drive a shift from cash to digital payments. To accelerate this transition, our core value proposition is to offer new customers attractive deposit yields. Our alliances with Arcus, by Mastercard, which began on March 12, 2024, and OXXO, which began on January 13, 2025, represent significant progress in expanding our cash-in and cash-out network, which reached over 30,000 physical contact points in January, 2025. This trend is further reinforced by increased competition from fintech players introducing new products, including no-fee services, attractive deposit yields, alternative transaction and savings options, more cash-in and cash-out functionalities, among others.

In Colombia, as of 2023, almost 81% of the adult population held a savings account according to the SFC's Financial Inclusion Report. As seen in Brazil and in Mexico, Nubank and other fintech players are offering attractive yields on savings account deposits to accelerate customer base growth and cross-sell attractive complementary financial services over time. After launching Cuenta Nu in early 2024, we reached almost 2 million account holders in Colombia within one year, as of December 31, 2024.

Investments

Brazil had almost 98 million active securities accounts on December 31, 2024, up 22% from 80.4 million on December 31, 2023, and 80.4 million savings accounts in the same period, up 2% year over year according to ANBIMA. Financial assets of Brazilian retail investors, which excludes the private segment, reached US\$961 billion as of December 31, 2024, a 12% FX-neutral increase over 2023 according to the BCB, ANBIMA, and our internal analyses. This total includes customer deposits, funds, equities, fixed income and pension funds. Fixed income remains the largest product, representing 35% of that total, followed by pension funds, savings deposits and investment funds (each holding a 19% share), while equities accounted for 4% of the total, same as other general investment categories. Growth of total retail assets was driven primarily by fixed income, with a 16% rise over 2023, reflecting the elevated policy rate outlook in Brazil. Despite this restrictive monetary policy environment, other retail investments also posted nominal FX-neutral gains of 9% in the year, with investment funds expanding 18% and pension funds increasing close to 11%, outperforming the 10% decline in equity investments.



With regard to individual deposits and retail investor assets in Brazil, our estimated market share was 3.3% on December 31, 2024, compared to 3.0% market share on December 31, 2023.

E. Insurance Brokerage

In our view, the retail insurance brokerage segment in Latin America has been largely dominated by incumbent banks, many of which also own the underwriting business and therefore favor their own products. We believe this segment is also prone to disruption and is likely to experience strong growth.

The Brazilian insurance sector recorded gross written premiums (GWP) across all segments totaling US\$73 billion in 2024 according to CNSEG data, and US\$25 billion from life insurance, auto, health and other property & casualty products. Despite its size, Brazil remains fairly underpenetrated relative to other developing and developed economies, in both the life and property & casualty segments. Nu is initially focused on market segments characterized by policies sold directly to individuals, representing 60% to 70% of the total GWP, according to Susep and internal estimates.

In our view, life insurance distribution to individuals in Brazil remains primarily through the bancassurance channel, while P&C insurance distribution remains concentrated in the broker channel.

We believe that complexity, lack of transparency and high premiums, largely a result of inefficient underwriting, continue to prevent many Latin Americans from purchasing more insurance products. Our first insurance product, NuLife, launched in August 2020 (in partnership with Chubb as underwriter), highlights the significant unmet demand for insurance products. NuLife offers flexible, fully customizable life insurance policies that can be contracted in five simple steps through our app. We launched mobile insurance in 2022, and auto and "Vidas Juntas" insurance – life insurance for *non-consanguineum* and non-marital relationships – products in 2023. Our most recent products also are characterized by fully customizable quotes and seamless digital onboarding through Nu's app. As of December 2024, we had more than two million active policies across all insurance categories, representing an annual growth rate of 60%. Over time, we plan to broaden our insurance offering to include additional life and P&C products.

F. E-Commerce Marketplaces

Brazilian e-commerce reached a gross merchandise volume (GMV) of almost US\$38 billion in 2024, according to the Brazilian Association of E-Commerce (ABCOMM).

In 2024, we continued to grow our GMV and expanded our Marketplace to include a broader range of products, enabling Nubank customers to access more compelling offers and further improving the user experience. We launched our UV-exclusive travel experience, allowing customers to book flights and hotels directly within our app through our partnership with Hopper. In September 2024, we unveiled our partnership with the Apple store, offering exclusive deals for Nubank+ and UV customers, combined with special financing conditions through NuPay making iPhones financially accessible to many of our customers for the first time. We also introduced significant enhancements to the user experience, including new features such as merchant-funded coupons, increased personalization, and an expanded product offering - all accessible directly within the app.

Revenue by Geography

For the year ended December 31, 2024, the majority of our revenue was derived from Brazil, totaling US\$8,409.9 million, compared to US\$523.1 million in Mexico and US\$111.8 million in Colombia (and increase from US\$2,681.2, US\$168,2 million and US\$36,4 million, respectively, for in the year ended December 31, 2023).

Customer Demographics

We believe our platform both supports customers across the age spectrum and has a particularly strong appeal to younger generations. We believe we serve a larger share of younger consumers than both digital banks and incumbent banks. Our young and expanding customer base represents a significant opportunity for growth. As of December 31, 2024, our customer base in Brazil had a significantly higher concentration of younger users compared to the system-wide average. As a result, our credit exposure also reflected this demographic skew, according to BCB data from March and December 31, 2023.

Our Competitive Landscape

We believe we are redefining how consumers engage with financial products and services and contributing to market expansion. At the same time, we continue to face competition from other firms, including large incumbent financial institutions, major technology companies, and smaller emerging fintech entrants.

We believe the key competitive factors in our market include:

- our deeply embedded culture of customer-centricity;
- product quality, features and functionality;
- operating leverage and efficiency;
- access to top-tier engineering, data science and product talent;
- brand recognition and affinity;
- security, privacy and trust;
- a scalable product and technology platform; and
- regulatory licenses.



We believe our ability to innovate at speed is a key differentiator that sets our platform apart. We believe we compete favorably across these critical dimensions and have developed a business model that is difficult to replicate.

Our Road Ahead

Nu remains in the early stages of leading a significant transformation in financial services in Latin America and globally. Despite our remarkable growth trajectory, we currently capture only a fraction of financial services revenue worldwide, highlighting the vast opportunity still ahead.

As we look forward, Nu continues to prioritize responsible and ambitious growth over short-term earnings gains. We outline our path forward presenting the ‘Three-Act Story.’

Act 1: Building the Largest and Most Loved Retail Banking Franchise in Latin America. This is our current focus, with most resources dedicated here. Even achieving significant scale, our market share is still under 6% in revenue terms. We will continue to nurture customer love, scale our credit operations, and increase principalality in Brazil, Mexico and Colombia, all while providing a seamless, fast, and reliable app experience.

Act 2: Expand Beyond Financial Services. We began this journey with marketplace, travel, and, more recently, telecom. With a large and highly engaged customer base, one of the most loved and trusted brands in Brazil, and strong data and cross-sell capabilities, we believe we have earned the right to expand beyond traditional financial services. Our goal is to create an ecosystem that broadens our addressable market and empowers customers to optimize their spending, setting the stage for new verticals.

Act 3: A Global AI-Driven Digital Banking Model. This represents our long-term vision to evolve our regional digital banking platform into a global model, leveraging AI to offer financial products and services to millions that were once limited to a select few. In 2025, we will take crucial steps to realize this vision by setting the foundations to support global-scale products and services.

Recent Developments

Tyme Investments

On December 12, 2024 Nu made a minority investment in Tyme Group Pte Ltd. ("Tyme") acting as lead investor in its series D funding round. Tyme operates under a hybrid model that combines a customer-centric digital platform with physical experiences, delivered in partnership with nationwide retailers through digital kiosks and bank ambassadors. Tyme specializes in emerging markets, including South Africa and the Philippines. For additional details, refer to note 18 of our financial statements.

Nucoin

In September 2024, we announced the strategic repositioning of Nucoin as part of a new loyalty program under development for Nubank customers. This transition led to the discontinuation of the liquidity pool feature that previously enabled clients to buy and sell Nucoin. As a result, we recorded a US\$40 million, primarily attributed to marketing expenses, aimed at repositioning Nucoin within the new loyalty program, as well as US\$8 million attributable to the impairment expenses of certain capitalized intangible assets associated with the liquidity pool feature.



United States International Development Finance, or “DFC”, facility

On September 27, 2024, our Colombian subsidiary signed an agreement of a 3-year credit facility of up to US\$ 150.0 million with DFC (United States International Development Finance), guaranteed by Nu Holdings. The facility aims to support the growth of our operations in Colombia. For more details about the transaction, please refer to “item 5. Operating and Financial Review and Prospects-B. Liquidity and Capital Resources - Borrowings and financing”.

Regulatory Overview

Brazil

Our Regulatory Position

Four of our subsidiaries in Brazil, Nu Pagamentos S.A. – Instituição de Pagamento, or “Nu Pagamentos,” Nu Financeira S.A. – Sociedade de Crédito, Financiamento e Investimento, or “Nu Financeira,” NuPay for Business Instituição de Pagamento Ltda, or “NuPay”, and Nu Investimentos S.A. - Corretora de Títulos e Valores Mobiliários or “Nu Investimentos,” are subject to regulation enacted by the Central Bank of Brazil (BCB), the Brazilian Securities and Exchange Commission (CVM) and/or the National Monetary Council (CMN), as applicable and have received the required authorizations to operate, as follows:

- Nu Pagamentos is authorized by the BCB to operate as a payment institution in the capacities of (1) issuer of postpaid payment instruments (*emissor de instrumento de pagamento pós-pago*), (2) issuer of electronic currency (*emissor de moeda eletrônica*), (3) acquirer (*credenciador*) and (4) payment initiation service provider (*iniciador de transação de pagamento*);
- Nu Financeira is authorized by the BCB to operate as a credit, financing and investment entity (*sociedade de crédito, financiamento e investimento*), conducting active, passive and ancillary transactions related to credit, financing and investment portfolios;
- NuPay is authorized by the BCB to operate as a payment institution in the capacity of issuer of electronic currency (*emissor de moeda eletrônica*);
- Nu Investimentos is authorized (1) by the BCB to operate as a securities broker (*corretora de títulos e valores mobiliários*, or “CTVM”), performing the activities provided in CMN Resolution No. 5.008, of March 24, 2022, as amended, or Resolution No. 5.008/22 and (2) by CVM to (i) provide investments fund bookkeeping services (ii) offer securities custody services and (iii) coordinate securities offerings. In addition, Nu Asset Management Ltda., (Nu Asset Management) a wholly owned subsidiary of Nu Investimentos, is authorized by the CVM to provide securities portfolio management services.



One of our subsidiaries, Nu Corretora de Seguros Ltda., or “Nu Corretora de Seguros” is regulated by Superintendence of Private Insurance (SUSEP) and is authorised to operate as an insurance brokerage firm under applicable Brazilian regulations.

None of our Brazilian subsidiaries are licensed to operate as a bank.

Regulatory Environment in Brazil

Our main subsidiaries in Brazil are subject to extensive regulation, such as those applicable to payment institutions (such as Nu Pagamentos and Nu Pay), financial institutions (Nu Financeira), securities and brokers (Nu Investimentos), securities portfolio manager (Nu Asset Management) and insurance brokers (Nu Corretora de Seguros).

We offer various payment, financial and capital markets services; in particular, we conduct activities related to payments, digital accounts, brokerage services, portfolio management and insurance.

Legislation Applicable to the Brazilian Payment System

General

The activities carried out by Nu Pagamentos in Brazil are subject to Brazilian laws and regulations applicable to payment institutions, particularly Law No. 12,865 of October 9, 2013, or the “Payments Law,” which, in short, regulates payment institutions and payment schemes that are part of the Brazilian Payment System (the *Sistema de Pagamentos Brasileiro*, or the “SPB”).

Payment Institutions

A payment institution is defined as the legal entity that participates in one or more payment schemes and is dedicated, exclusively or otherwise, to the execution of fund transfers, among other related activities, as described in the Payments Law.

Specifically, under the Brazilian payment regulations, payment institutions are categorized into one of the following four categories:

- Issuers of electronic currency (prepaid payment instruments): these institutions manage prepaid payment accounts, enable payment transactions using electronic currency stored in such prepaid payment accounts, and convert those funds into physical or book-entry currency, or vice versa.
- Issuers of post-paid payment instruments (e.g., credit cards): these institutions manage payment accounts that enable end-users to make payments on a post-paid basis.
- Acquirers: these institutions do not manage payment accounts, but (i) enable merchants to accept payment instruments issued by a payment institution or by a financial institution within the same payment scheme; and (ii) participate in the settlement process as creditor of the issuer of the payment instrument.

- Payment initiation service providers (PISP): these payment institutions render initial payment services whereby they do not (1) manage the payment or checking account from which the payment is executed; nor (2) hold the transferred funds during the rendering of their services.

Payment institutions that operate in Brazil must comply with several legal and regulatory requirements set forth by CMN and the Central Bank of Brazil, as applicable, which may vary according to certain features of their specific business models and to thresholds defined by the regulation, such as the volume of payment transactions processed and/or the amount of funds held in prepaid payment accounts during the previous twelve months.

Therefore, certain payment institutions may not be subject to the full legal and regulatory framework applicable to the payment industry in Brazil such as the ones that only participate in limited-purpose payment schemes or provide services in the scope of programs set up by governmental authorities aimed at granting benefits to individuals due to employment relationships.

CMN and Central Bank of Brazil regulations applicable to payment institutions cover a wide variety of matters, including, but not limited to risk management, governance, anti-money laundering and combating the financing of terrorism, cybersecurity, secrecy, ombudsman, internal audit, reporting obligations and governance. In addition, payment institutions must seek approval from the Central Bank of Brazil when appointing managers (including directors, officers and members of certain statutory boards, such as fiscal councils). The regulations applicable to payment institutions also cover “payment accounts” (*contas de pagamento*), which are the end-user accounts, in registered (i.e., book-entry) form, which are opened with payment institutions that are card issuers of prepaid or post- paid instruments and used for carrying out each payment transaction. Current regulations classify payment accounts as follows:

- Prepaid payment accounts: the intended payment transaction is executed only when the funds have already been deposited into the payment account; and
- Post-paid payment accounts: the intended payment transaction is executed regardless of whether funds are deposited into the payment account.

To provide protection from bankruptcy, the Payments Law requires payment institutions that issue electronic currency to segregate prepaid payment account funds from their own assets. These institutions must hold the total balance of prepaid funds in certain specified instruments: either (1) a non-interest-bearing account with the Central Bank of Brazil; or (2) in federal government bonds registered with the SELIC.

Since July 1, 2023, payment institutions have also been permitted to operate in the foreign exchange market, provided they comply with certain restrictions such as operating only with electronic currency and adhering to operational thresholds set forth by the Central Bank of Brazil Resolution No. 277/22, and subject to prior authorization.

Payment Schemes

According to the Payments Law, a payment scheme, for regulatory purposes in Brazil, is the collection of rules and procedures that governs payment services provided to the public, with direct access by its end-users (i.e., payers and receivers). In addition, such payment services must be accepted by more than one receiver in order to qualify as a payment scheme. The regulations applicable to payment schemes depend on certain features, such as the volume of users and the amount of transactions processed therein:

- Payment schemes that exceed certain thresholds are considered part of SPB and are subject to the legal and regulatory framework applicable to the payment industry in Brazil, including the requirement to obtain a license to operate by the Central Bank of Brazil.
- Payment schemes that operate below these thresholds are not considered to form part of the SPB and are therefore not subject to the legal and regulatory framework applicable to the payment industry in Brazil, including the requirement to obtain an authorization from the Central Bank of Brazil, although they are required to report certain operational information to the Central Bank of Brazil on an annual basis.
- Limited-purpose payment schemes are not considered to form part of the SPB and, therefore, are not subject to the legal and regulatory framework applicable to the payment industry in Brazil, including the requirement to obtain authorization from the Central Bank of Brazil. Limited-purpose payment schemes are, for instance, those whose payment orders are: (i) accepted only at the network of merchants that clearly display the same visual identity as that of the issuer, such as franchisees and other merchants licensed to use the issuer's brand; (ii) intended for payment of specific public utility services, such as public transport and public telecommunications; or (iii) accepted exclusively within a closed-loop payment scheme and for the payment of one type of product or service, of a restricted set of products or services related with a specific activity or market.
- Depending on the type of payment instrument, the payment scheme will not be considered part of the SPB as well. This is the case of payments of employment benefits and meal or food vouchers.
- Certain types of payment schemes have specific exemptions from the requirement to obtain authorization from the Central Bank of Brazil. This applies, for example, to payment schemes established by governmental authorities, specific financial institutions, or authorized payment institutions, as well as those aimed at granting benefits to individuals due to employment relationships.

Payment Scheme Settler

A payment scheme is established and operated by a payment scheme settler, which is the legal entity responsible for its authorization and function. Under Brazilian regulations, payment scheme settlers, accountable for managing the rules, procedures and brand usage associated with a payment scheme. Central Bank of Brazil regulations require that payment scheme settlers must be (i) incorporated in Brazil, (ii) have a corporate purpose compatible with its payments activities; and (iii) have the technical, operational, organizational, administrative and financial capacity to meet their obligations. They must also maintain clear and effective corporate governance mechanisms suited to the needs of both payment institutions and end users of payment schemes.

Legislation Applicable to Financial Institutions and Portfolio Managers

General Rules

The Banking Law, laid out the structure of the Brazilian National Financial System, made up of the CMN, the Central Bank of Brazil, Banco do Brasil S.A., BNDES and other public or private financial institutions.

Law No. 4,728 of July 14, 1965, as amended, or “Law No. 4,728/65,” regulates Brazilian capital markets through setting standards and various other mechanisms. Further, pursuant to Law No. 6,385 of December 7, 1976, as amended, or “Law No. 6,385/76,” the distribution and issuance of securities in the market, trading of securities and settlement and/or clearance of securities transactions all require prior authorization by the CVM.

Brazil’s financial and capital markets regulatory framework is further supplemented by the regulations enacted by CMN, CVM and/or the Central Bank of Brazil, as applicable. This framework also incorporates self-regulation policies, including rules enacted by various associations, over-the-counter organized markets and securities exchanges that govern the activities of their members and participants, such as B3, ANBIMA, and the Brazilian Association of Investment Analysts (APIMEC).

The incorporation and operation of financial institutions and other regulated entities that intend to operate in the Brazilian financial and/or capital markets are subject to prior licensing, regulation and oversight from the Central Bank of Brazil. Other corporate events such as capital increases, appointment of officers, changes in corporate control, among others, may also be subject to prior authorization. Financial institutions in Brazil may operate as commercial banks, investment banks, credit, financing and investment companies, cooperative banks, leasing companies, real estate credit companies, mortgage companies, among others. Each is regulated by specific rules issued by the CMN, the Central Bank of Brazil, and, if such financial institutions participate in capital markets activities, the CVM. Likewise, stock exchanges must comply with CMN, Central Bank of Brazil, and CVM regulations, as well in accordance with Law No. 4,728/65.

Pursuant to Banking Law, CMN Resolution No. 4,970 of November 25, 2021, as amended, or “CMN Resolution No. 4,970,” financial institutions must seek approval from the Central Bank of Brazil, and, in certain cases, from the CVM when appointing managers (including directors, officers and members of certain statutory boards, such as fiscal councils). Moreover, under Law No. 4,728/65, managers of securities brokerage firms are subject to further restrictions and are prohibited from working for or fulfilling any administrative, advisory, tax or decision-making positions at entities whose securities are traded on the stock exchange. These managers are also barred from holding managerial positions at other brokerage firms authorized to carry out foreign exchange transactions pursuant to CMN Resolution No. 5,009 of March, 24, 2022.

In addition, the Banking Law imposes restrictions on loans and cash advances from financial institutions to their managers (officers, directors, and members of advisory boards, as well as their relatives). These restrictions are governed by CMN Resolution No. 4,693 of October 29, 2018.

Credit, Financing and Investment Institutions (Consumer Credit Companies)

Credit, financing and investment institutions (*sociedades de crédito, financiamento e investimento*), such as Nu Financeira, also referred to as “financeiras” or “SCFI”, are financial institutions that are part of the national financial system and subject to regulation and oversight by the CMN and the Central Bank of Brazil. These entities were established under Ordinance No. 309 of the Ministry of Finance, dated November 30, 1959, and operate as private financial institutions whose basic objective is to carry out financing for the acquisition of goods and services, as well as for working capital. Consumer credit companies must be incorporated as corporations (*sociedade por ações*) and their corporate name must include the designation “Crédito, Financiamento e Investimento” (credit, financing and investment).

SCFIs are not allowed to offer deposit accounts. However, such institutions can raise funds through the issuance of bank deposit certificates, or CDBs (*Certificado de Depósito Bancário*) or by accepting deposits without issuance of certificates, known as RDB (*Recibo de Depósito Bancário*), among other instruments. Both CDB and RDB are fixed income securities subject to the ordinary guarantee from the FGC (*Fundo Garantidor de Crédito*, the Brazilian credit guarantee fund). The key distinction between them lies in the fact that the RDB is non-transferable and non-tradable. Many credit, financing and investment institutions operate as the financial arm of non-banking economic groups. In our case, Nu Financeira provides revolving credit and transactional financing to our credit card holders, offers personal loans and issues instruments such as RDB to support the funding of our operation.

Securities Brokerage and Distribution Firms

Securities trading in stock exchange markets shall be carried out exclusively by DTVMs, CTVMs (such as Nu Investimentos) and certain other authorized institutions. Securities distributors (*distribuidoras de títulos e valores mobiliários*) and securities brokers (*corretoras de títulos e valores mobiliários*) are regulated by Resolution No. 5,008/22. Pursuant to joint decision No. 17, of March 2, 2009, issued by the Central Bank of Brazil and the CVM, distributors were authorised to operate directly within the environments and trading systems of organized stock exchange markets. This effectively eliminated the operational distinctions between securities brokers and distributors, and such institutions are today allowed to perform practically the same operations.

In this regard, Resolution No. 5,008/22 allows brokerage firms to participate, among others, in the following activities: (1) trading in stock exchanges; (2) managing investment portfolios; (3) providing custody services; and (4) issuing electronic currency and managing pre-paid payment accounts. In addition to Resolution No. 5,008/22, which repealed Resolution No. 4,871, brokerage firms are subject to oversight by the CVM.

Under the rules set forth by the Central Bank of Brazil, brokerage firms (such as Nu Investimentos) are prohibited from executing transactions that may result in loans, facilities or cash advances to customers, including through synthetic transactions (such as an assignment of rights), with the exception of margin transactions and other limited transactions.

Moreover, brokerage firms can neither charge commissions in connection with trades during primary distribution, nor purchase real estate, except for their own use or when acquired as settlement for “bad debts”, provided such assets are sold within a year.

Third-Party Asset Management

Nu Asset Management is an asset manager accredited to operate by, and subject to the rules and oversight of, the CVM, pursuant to Law No. 6,385/76 and CVM Resolution No. 21 of February 25, 2021, as amended, or “CVM Resolution No. 21”. Verios Asset Management, a former affiliate, is no longer under CVM oversight, following its deregistration from the CVM in November 2021.

CVM Resolution No. 21 defines asset and portfolio management activities as professional activities, directly or indirectly related to the operation, maintenance and management of securities portfolios, including the investment of client funds in the securities market.

Under CVM Resolution No. 21, asset managers are classified into two categories: (1) trustee administrator and/or (2) portfolio manager. Nu Asset Management is registered as a portfolio manager. To be authorized to act as an asset manager by the CVM, under CVM Resolution 21, a legal entity must meet several requirements, including: (i) having a registered office in Brazil; (ii) having securities portfolio management as a corporate purpose and being duly incorporated and registered with the National Register of Legal Entities – CNPJ; (iii) having one or more officers duly certified as asset managers as approved by CVM to assume responsibility for securities portfolio management, pursuant to CVM Resolution No. 21; (iv) appointing a designated officer for portfolio management, a compliance officer and a risk management officer; (5) be controlled by reputable shareholders (direct and indirect), who have not been convicted of certain crimes detailed in article 3, VI of CVM Resolution No. 21; (v) ensuring none of its offices are unable suspended from occupying a position in financial institutions or other entities authorized to operate by the CVM, the Central Bank of Brazil, SUSEP or PREVIC, and have not been banned from asset management activities by judicial or administrative decisions; (vi) implementing adequate personnel and IT resources infrastructure proportionate to the size and complexity of investment portfolio managed; and (vii) execute and provide the applicable forms to the CVM demonstrating operational readiness and regulatory compliance.

Pursuant to CVM Resolution No. 21, asset managers are also required to conduct their activities with transparency, in good faith, diligence and loyalty with respect to their customers and perform their duties with the aim of achieving their investment objectives. This same regulation requires asset managers to maintain a website, with extensive up-to-date information, including, but not limited to: (i) an updated annual filing form (*formulário de referência*); (ii) a code of ethics; (iii) rules, procedures and a description of internal controls in order to comply with CVM Resolution No. 21; (iv) a risk management policy; (v) a policy of purchase and sale of securities by managers, employees and the company; (vi) a pricing manual for assets from the securities portfolios managed by such asset manager, even if the manual has been developed by a third party; and (vii) a policy of apportionment and division of orders among the securities portfolios.

Moreover, under CVM Resolution No. 21, asset management firms are forbidden to: (i) publicly guarantee or assure profitability levels based on the historical performance of portfolio and market indexes; (ii) modify the essential features of the services they provide without following the prior appropriate procedures under the asset management agreement and regulations; (iii) make promises as to future results of the portfolio; (iv) contract or granting loans on behalf of their customers, subject to certain exceptions set out in regulation; (v) provide a surety, corporate guarantee, acceptance or becoming a joint obligor in any other form, with respect to the managed assets; (vi) neglecting, under any circumstances, customers’ rights and intentions; (vii) engage in trading securities held in managed portfolios with the purpose of obtaining brokerage revenue or rebates for themselves or third parties; or (viii) acting as a counterparty to clients, directly or indirectly, except as permitted by applicable regulations.

Insurance Brokerage Firms

Insurance brokerage firms, such as Nu Corretora de Seguros Ltda. (formerly known as Easy CS) must obtain registration and authorization for their operations, pursuant to the rules in force and in accordance with Law No. 4,594 of December 29, 1964, as amended, or “Law No. 4,594/64,” and Decree-Law No. 73/66 (as well as regulation issued by the CNSP and SUSEP). The insurance brokers, whether an individual or legal entity, are legally authorized to act as intermediaries in the solicitation and promotion of insurance contracts, between the insurance companies and individuals or public or private legal entities. Pursuant to Law No. 4,594/64 and applicable SUSEP and CNSP regulations, only duly qualified insurance brokers that have executed an insurance tender shall be paid the brokerage fees related to each insurance line, based on the respective tariffs, including in case of adjustment to the issued premium.

Under the applicable regulation, insurance brokerage firms such as Nu Corretora de Seguros Ltda. (Easy CS) must also provide evidence of the technical certification of their employees who act as brokers for offering, for example, insurance claims settlement services, direct sales of insurance, capitalization, open supplementary pension products and others. Such certification shall be issued by an institution of recognized technical capacity, duly accredited by SUSEP. In addition, insurance brokers must also appoint and include a technical officer in the statutory documents for the purpose of representing the entity before SUSEP and for it to be granted its operating license.

Insured individuals and insurance companies can pursue civil action against insurance brokers for losses incurred as a result of intentional malfeasance or negligence caused by brokerage activity. In case of non-compliance with the regulatory rules, in addition to the legal sanctions, insurance brokers and managers are subject to fines, temporary suspension from the exercise of the profession or registration cancellation.

Crypto Exchange Activities

In December 2022, the Brazilian National Congress approved Bill of Law No. 4,401/2021, which was sanctioned by the President as Law No. 14,478/2022, establishing a legal framework for crypto services in Brazil. The law outlines the regulatory guidelines for the provision of virtual asset services and for regulation of virtual asset service providers, or “VASPs,” which include, among others, free competition, protection of personal data, protection of popular savings, consumer protection, and anti-money laundering actions.

Under this legal framework, VASPs are defined as legal entities that on behalf of third parties, provide at least one of the following services: (i) exchange between virtual assets and domestic or foreign currency; (ii) exchange between one or more virtual assets; (iii) transfer of virtual assets; (iv) safe-keeping or management of virtual assets or instruments enabling a control over virtual assets; or (v) participation in financial services and the rendering of services in connection with an issue offering or sale of virtual assets.

In connection with Law No. 14,478/2022, Decree No. 11,563 published on June 14, 2023, regulates the virtual assets market law and designates the Central Bank of Brazil as the authority in charge of regulating and overseeing this market within the scope of the said law, with authority to: (i) regulate the provision of virtual asset services, (ii) regulate, authorize and oversee the VASPs, and (iii) address other matters prescribed by said law, excluding the matters relating to the National Register of Politically Exposed Persons, or “CNPEP,” introduced by Law No. 14,478/2022. The decree stresses that the powers and authority of the CVM, tasked with regulating the issuance and offering of those virtual assets classified as securities under Law No. 6,385 of 1976, remain unchanged.

The decree and Law No. 14,478/2022 both came into effect on June 20, 2023. Subsequently, on November 8 and 29, 2024, the Central Bank of Brazil issued Public Consultations No. 109, 110 and 111, proposing a regulatory framework for VASPs which is further detailed below under “—Recent Developments in Brazil —Virtual Assets and Virtual Assets Service Providers.”

Main Regulatory Authorities in Brazil

National Financial System

The primary regulatory authorities overseeing the Brazilian financial system are CMN, the Central Bank of Brazil and CVM. Additionally, most Brazilian securities brokers, securities distributors and asset managers are associated with and subject to the self-regulatory standards established by ANBIMA.

In addition, trading segments managed by B3 are also subject to self-regulation and oversight by BSM – Supervisão de Mercados, or “BSM,” a non-profit organization that forms part of the B3 group.

Below is a summary of the main duties and powers of each regulatory agent, ANBIMA and BSM.

CMN

CMN is the main monetary and financial policy authority in Brazil, responsible for creating financial, credit, budgetary and monetary rules.

Brazil’s current banking and financial institutional framework was established by Law No. 4,595 of December 31, 1964, as amended, or the “Banking Law.”

According to Banking Law, the CMN’s main responsibilities are to oversee the regular organization, operation and inspection of entities that are subject to the Banking Law, as well as the enforcement of applicable penalties. In addition, Law No. 4,728/65 delegates to the CMN the power to set general rules for underwriting activities for resale, distribution or intermediation in the placement of securities, including rules governing the minimum regulatory capital of the companies that contemplate the underwriting for resale and distribution of instruments in the market and conditions for registration of the companies or individual firms which contemplate intermediation activities in the distribution of instruments in the market. The CMN has the power to regulate credit transactions involving Brazilian financial institutions and Brazilian currency, supervise the foreign exchange and gold reserves of Brazil, establish saving and investment policies in Brazil and regulate the Brazilian capital markets. The CMN also oversees the activities of the Central Bank of Brazil, the CVM and SUSEP. Other CMN responsibilities include:

- coordinating monetary, credit, budget and public debt policies;

- establishing policies on foreign exchange and interest rates;
- seeking to ensure liquidity and solvency of financial institutions;
- overseeing activities related to the stock exchange markets;
- regulating the structure and operation of financial institutions;
- granting authority to the Central Bank of Brazil to issue currency and establish reserve requirement levels; and
- establishing general guidelines for the banking and financial markets.

Central Bank of Brazil

The activities of financial institutions are subject to limitations and restrictions. The Central Bank of Brazil is responsible for: (i) implementing CMN policies related to monetary, credit and foreign exchange control matters; (ii) regulating Brazilian financial institutions in the public and private sectors; and (iii) monitoring and regulating foreign investments in Brazil. The President of the Central Bank of Brazil is appointed by the President of Brazil (subject to ratification by the Senate) for a four-year term, always beginning on January 1 of the third year of the President of Brazil's term in office.

The Banking Law delegated to the Central Bank of Brazil the responsibility of permanently overseeing companies that directly or indirectly interfere in the financial and capital markets, controlling such companies' operations in the foreign exchange market through operational proceedings and various modalities, and supervising the relative stability of foreign exchange rates and balance of payments. In addition, Law No. 4,728/65 states that the CMN and the Central Bank of Brazil shall exercise their duties related to the financial and capital markets with the purpose of, among other things, facilitating the public's access to information related to bonds or securities traded in the market and on the companies that issue them, protecting investors against illegal or fraudulent issuances of bonds or securities, preventing fraud and manipulation modalities intended to create artificial conditions of the demand, supply or pricing of bonds or securities distributed in the markets and ensuring the observance of equitable commercial practices by all of those professionals who participate in the intermediation of the distribution or trading of bonds or securities. The Central Bank of Brazil has authority over brokerage firms, financial institutions, companies or individual firms performing underwriting for resale and distribution of bonds or securities, and maintains a record on, and inspects the transactions of, companies or individual firms that carry out intermediation activities in the distribution of bonds or securities, or which conduct, for any purposes, the prospecting of popular savings in the capital market.

Other key responsibilities of the Central Bank of Brazil include:

- controlling and approving the organization, operation, transfer of control and corporate reorganization of financial institutions and other institutions authorized to operate by the Central Bank of Brazil;
- managing the daily flow of foreign capital and derivatives;

- establishing administrative rules and regulation for the registration of foreign investments;
- monitoring remittances of foreign currency;
- controlling the repatriation of funds (in the event of a serious deficit in Brazil's payment balance, the Central Bank of Brazil may limit remittances of profits and prohibit remittances of capital for a limited period);
- receiving compulsory collections and voluntary deposits in cash from financial institutions;
- executing rediscount transactions and granting loans to banking financial institutions and other institutions authorized to operate by the Central Bank of Brazil;
- intervening in the financial institutions or placing them under special administrative regimes, and determining their compulsory liquidation; and
- acting as depositary of gold and foreign currency.

CVM

The CVM is Brazil's federal securities regulator, responsible for implementing the CMN's policies related to the capital market and for overseeing the regulation, development, supervision of the securities market.

The main responsibilities of the CVM include:

- regulating the Brazilian capital markets, in accordance with Brazilian corporation law and securities law;
- setting rules governing the operation of the securities market;
- defining the types of financial institutions that may carry out activities in the securities market, as well as the kinds of transactions that they may perform and services that they may provide in such market;
- controlling and supervising the Brazilian securities market through, among others:
- approving, suspending and delisting publicly held companies;
- authorizing brokerage firms to operate in the securities market and public offering of securities;
- supervising publicly held companies, stock exchange markets, commodities and futures markets, financial investment funds and variable income funds;
- enforcing full disclosure of relevant events that affect the market, as well as the publication of annual and quarterly reports by publicly held companies;

- imposing penalties; and
- permanently monitoring the activities and services of the securities market, as well as the dissemination of information related to the market and the amounts traded therein to market participants.

The CVM also regulates and supervises financial investment funds and derivatives markets, a role previously fulfilled by the Central Bank of Brazil. These responsibilities were transferred to the CVM under Law No. 10,198 of February 14, 2001, as amended, and Law No. 10,303 of October 31, 2001. In compliance with Brazilian legislation, the CVM is governed by a President and four officers, all of whom are appointed by the President of Brazil and subject to Senate approval. The persons appointed to the CVM shall have strong reputations and be recognized as experts in the capital markets sector. CVM officers are appointed for a single term of office of five years, and one-fifth of the members are renewed annually.

Brazilian Payments System

Our activities carried out by Nu Pagamentos are subject to Brazilian laws and regulations relating to payment institutions set forth in Payments Law.

The Payments Law grants the Central Bank of Brazil, in accordance with the guidelines set out by the CMN, the authority to regulate entities involved in the payments industry. This authority covers matters such as the operation of these entities, authorization to operate, approval of appointed managers (directors and officers), risk management structures, the opening of payment accounts, and the transfer of funds to and from payment accounts. After the enactment of Payments Law, the CMN and the Central Bank of Brazil created a regulatory framework regulating the operation of payment schemes and payment institutions, which continues to evolve.

In this regard, the main responsibilities of the Central Bank of Brazil in relation to the Brazilian payment system include:

- regulating the setup, operation and monitoring of payment institutions and payment schemes;
- authorizing the setup of payment schemes;
- authorizing the setup, operation, transfer of control, merger, spin-off and consolidation of payment institutions;
- setting conditions and authorizing the appointment of directors and managers in payment institutions;
- supervising payment institutions and schemes and applying sanctions when due;
- adopting preventive measures to ensure soundness, efficiency and ongoing operation of payment schemes and of payment institutions;

- adopt measures aimed at greater competition, financial inclusion and transparency in the provision of payment services; and
- regulating fees, commissions or other consideration for payment services, including those charged among members of the same payment arrangement.

Pension and Insurance

SUSEP and CNSP

In Brazil, the regulation of insurance, co-insurance, reinsurance, capitalization, supplementary pension schemes and brokerage is carried out by the CNSP and SUSEP.

SUSEP is an independent agency in charge of implementing and conducting the policies established by the CNSP and the supervision of insurance, co-insurance, reinsurance, capitalization, supplementary pension schemes and brokerage. SUSEP neither regulates nor supervises (i) the supplementary pension entities that are regulated by the CNPC; and (ii) the operators of private healthcare assistance plans, which are regulated by ANS. The CNSP is made up of one representative from each of the following bodies: Ministry of Social Security, the Central Bank of Brazil, the Ministry of Finance, the Ministry of Justice, the CVM and the superintendent of SUSEP – Private Insurance Authority.

The supplementary insurance and pension sectors in Brazil are subject to overlapping regulations. Decree-Law No. 73 of November 21, 1966, as amended, sought to centralize the legislation and inspection activities in the sector by creating the National Private Insurance System – SNSP, composed of (i) CNSP; (ii) SUSEP; (iii) insurance companies duly authorized to operate in the private insurance market; (iv) reinsurance companies; and (v) duly qualified and/or registered insurance brokers. The CNSP, which is linked to the Ministry of Finance, and its main roles include: establishing the guidelines and rules for the private insurance policy in Brazil; regulating the incorporation, organization, operations, and inspection of insurers, reinsurers, supplementary open pension funds, and capitalization companies, as well as establishing capital thresholds for such entities; establishing the general characteristics of insurance and reinsurance contracts; setting the general guidelines for insurance, reinsurance, supplementary open pension funds, and capitalization operations; establishing general accounting and statistical rules, as well as legal, technical, and investment limits for the operations of insurers, reinsurers, supplementary open pension funds, and capitalization companies; and regulating insurance and reinsurance broker activities and profession.

SUSEP’s primary responsibilities include: processing application for incorporation, organization, operations, and inspecting insurers, reinsurers, supplementary open pension funds, and capitalization companies; issuing instructions and circular letters in connection with the regulation of insurance, reinsurance, supplementary open pension funds, and capitalization operations, in accordance with CNSP guidelines; setting forth the conditions of insurance plans to be used by the insurer market; approving limits for the operations of supervised companies; authorizing the use and release of assets and amounts given in guaranty for technical provisions and discretionary capital; inspecting and implementing the general accounting and statistical rules set forth by CNSP; and is responsible for overseeing the operations, and when applicable, the orderly liquidation of supervised companies.

Self-Regulatory Entities

ANBIMA

ANBIMA is a private self-regulatory organization representing investment banks, asset managers, securities brokers and investment advisers. Among its key responsibilities, it establishes rules as well as codes of best practices for the Brazilian capital markets, including enforcing punitive measures in cases of non-compliance with its rules.

BSM

BSM conducts market surveillance by monitoring transactions, orders and trades executed in B3 trading environments. Its activities include monitoring transactions, orders and trades, market participants, and providing compensation for losses up to a certain threshold. When necessary, BSM may initiate punitive administrative proceedings and enforce sanctions against those who infringe the applicable regulations.

In close collaboration with CVM and the Central Bank of Brazil, BSM acts to ensure that institutions and their professionals comply with market regulations, by:

- conducting market surveillance – BSM monitors all orders and trades in B3’s markets in order to identify signs of irregularities;
- auditing – BSM audits all B3 participants to ensure their compliance with the regulations and to identify possible violations of market rules;
- enforcing compliance through disciplinary actions – when violations of regulations occur, BSM adopts guidance, persuasion or disciplinary measures such as letters of recommendation, letters of censure or administrative sanctioning proceedings, in accordance with the severity of the violation that has been identified; in addition, BSM can, in connection with administrative sanctioning proceedings, apply penalties to or enter into Terms of Commitment (*termo de compromisso*) with the accused;
- providing compensation for losses – BSM analyzes and adjudicates complaints presented to the Investor Compensation Mechanism, or “MRP”, which awards damages of up to R\$120,000 to investors harmed by a B3 participant’s inappropriate activity; and
- facilitating market development – BSM develops education initiatives, enhancing regulatory frameworks, and fostering relationships with domestic and international regulatory agencies and market stakeholders.

APIMEC

APIMEC is a private self-regulatory association authorized by the CVM to certify and oversee the self-regulation of securities analysts (both individuals and legal entities). Its responsibilities include establishing rules, procedures and best practices that must be observed by them in the performance of their activities.

Other Rules

Prudential Framework and Limits of Exposure

Financial Institutions

Financial institutions in Brazil are subject to an extensive set of rules issued by the CMN and the Central Bank of Brazil related to corporate capital, exposure limits and other solvency requirements that follow principles recommended by the Basel Committee, especially in view of the systemic risks associated with the relationship and activity of financial institutions. In this context, the CMN and the Central Bank of Brazil play a central role in safeguarding the solvency of the National Financial System and mitigating systemic risks.

With this aim, CMN Resolution No. 2,099 of August 17, 1994, as amended, or “CMN Resolution No. 2,099,” establishes minimum corporate capital and net equity thresholds for various types of financial institutions. For instance, the CMN requires a minimum capital and net equity of R\$1.5 million for DTVMs and for CTVMs, such as Nu Investimentos, and R\$7.0 million for credit, financing and investment institutions, such as Nu Financeira.

For more information regarding prudential aspects and operational limits applicable to the prudential conglomerate led by Nu Pagamentos, see “—Other Rules—Payment Institutions” below.

Capital Requirements for Operational Risks

On November 28, 2023, the Central Bank of Brazil released Resolution No. 356, which replaced the three prior methodologies used to calculate the Risk Weighted Asset, or "RWA", component for operational risk, or “RWAOpad,” which was in use (BIA, or Basic Indicator Approach, ASA, or Alternative Standardized Approach, and ASA2, or Simplified Alternative Standardized Approach), with a single, more robust and risk-sensitive method, including an internal loss component that modulates the capital required. Res. 356 came into effect in January 2025.

Nu Pagamentos’s prudential conglomerate uses ASA methodology for the RWAopad calculation, as approved by the Central Bank of Brazil on December 29, 2023.

The aforementioned prudential conglomerate, led by Nu Pagamentos, comprises Nu Financeira, Nu Investimentos, NuPay and Nu Asset Management.

Credit Risk Regulatory Framework

Starting January 1st, 2025, Resolutions CMN No. 4.966 and BCB No. 352 came into effect. These regulations bring significant changes to the accounting of financial instruments in Brazil. These regulations aim to enhance alignment with international standards, particularly IFRS9, while accommodating jurisdiction-specific differences. Under the new regulatory framework, the methodology for calculating and accounting for expected credit loss (provisions) will be updated.

On December 23, 2024, the Central Bank of Brazil issued Resolution No. 448, amending the BCB Resolution 199, to establish a transition schedule for incorporating the impacts of the new provisioning model into regulatory capital. This new provisioning model is based on CMN Resolution No. 4.966 and BCB resolution No. 352. The transition framework is aligned with the recommendations from the Basel Committee on Banking Supervision (BCBS), allowing jurisdictions to phase in the regulatory capital impacts of increased provisions for expected credit loss over time. The rule partially restores regulatory capital that may have been reduced due to the shift to the new provisioning methodology. The transition period will span from 2025 to 2028. This adjustment aims to ensure that the metrics for risk exposure are managed sensitively.

Payment Institutions

As per Central Bank of Brazil Resolution No. 80, of March 25, 2021, licensed payment institutions are required to comply with minimum paid-in capital per category in which they act. For institutions acting as issuers of post-paid payment instruments, issuers of electronic currency, or acquirers the minimum-paid in capital requirement is R\$2.0 million per category of activity. For payment initiation service providers (PISP), the capital requirement is reduced to R\$1.0 million. In addition, payment institutions that participate exclusively in closed payment schemes as issuers of electronic currency and issuers of post-paid payment instruments must comply with a minimum paid-in capital of R\$3.0 million.

Moreover, according to Central Bank of Brazil Resolutions No. 198, 199, 200, 201 and 202, all dated March 11, 2022, as well as Resolution No. 436, issued on November 28, 2024, a new set of rules was introduced to harmonize the prudential treatment applicable to payment services. The new prudential requirements are enforceable according to an implementation calendar, with full implementation beginning January 1, 2025. Under this framework, prudential conglomerates integrated by at least one institution that performs a payment service are now classified into one of the following types:

- Type 1: (i) single institution authorized to operate by the Central Bank of Brazil, except: payment institution; securities brokerage firms; securities distribution companies; and foreign exchange brokers; and (ii) prudential conglomerate led by an institution authorized to operate by the Central Bank of Brazil.
- Type 2: (i) single payment institution; and (ii) prudential conglomerate led by a payment institution and made up exclusively of: payment institutions authorized to operate by the Central Bank of Brazil; payment institutions not authorized to operate by the Central Bank of Brazil; entities that acquire credit operations, including real estate, or credit rights, such as commercial development companies, securitization companies and exclusive purpose companies; other legal entities whose exclusive corporate purpose is to hold shares in the entities mentioned in items i to iii; or investment funds; and
- Type 3: (i) securities brokers, securities distributors and foreign exchange brokerage firms; (b) prudential conglomerates led by the institutions referred above; and (c) prudential conglomerates led by a payment institution not mentioned in Type 2 above.

According to the Central Bank of Brazil, the regulatory capital framework applicable to payment institutions was revised to enhance institutions’ capacity to absorb unexpected losses. This treatment will consist of deducting from the regulatory capital calculation the assets of the institution that, in situations of financial stress, have little or no value for maintaining the operation of the institution, in addition to considering debt instruments are now eligible for inclusion in Tier I and Tier II Regulatory Capital.

Furthermore, these new rules seek to adjust the minimum capital requirement according to the intrinsic risks of each type of activity (payment or financial activity) for Type 3 prudential conglomerates (such as the one led by Nu Pagamentos). The framework acknowledges the peculiarities of payment services and their different legal status, and gives specific prudential treatment to the risks arising from them. In this context, the Payment Services Risk Weighted Assets, or “RWA_{SP},” was created as a component for the calculation of regulatory capital in Type 1 and Type 3 prudential conglomerates, encompassing the activities of merchant acquiring, issuance of electronic currency, issuance of post-paid payment instruments and payment transaction initiation.

Pursuant to BCB Resolutions No. 199 and 200, both dated March 11, 2022, or “BCB Resolution No. 199/22” and “BCB Resolution No. 200/22”, Brazil's capital requirement framework mandates that financial institutions maintain capital ratios based on their Total Capital relative to risk-weighted assets, or “RWAs”. Total Capital comprises Tier I Capital (formed by Common Equity and Additional Tier I Capital) and Tier II Capital. For purposes of calculating these minimum capital requirements, the total RWA is determined as the sum of the risk-weighted asset amounts for credit, market and operational risks.

The Total Capital, used to monitor the compliance with the operational limits imposed by the Central Bank of Brazil, is the sum of three components:

- Common Equity Tier 1: includes social capital, reserves and retained earnings, less deductions and prudential adjustments.
- Additional Tier 1 Capital: comprises eligible perpetual instruments. When combined with Common Equity Tier I, it constitutes Tier I Capital.
- Tier 2 Capital: consists of subordinated debt instruments with fixed maturity that meet certain eligibility requirements. Combined with Common Equity Tier I and Additional Tier I Capital, it makes up Total Capital.

In accordance with applicable Brazilian regulations, we must maintain our Regulatory Capital, Tier 1 Capital and Common Equity Tier 1 Capital ratios above the minimum regulatory requirements thresholds established by the Central Bank of Brazil at all times.

Beyond the minimum requirement, the Central Bank of Brazil mandates the inclusion of Additional Common Equity Tier I Capital, or “ACP,” comprising the sum of the ACP Conservation and ACP Countercyclical buffers, which, jointly with the requirements mentioned, increase capital requirements over time.

With regard to prudential segmentation, this currently applies to Type 3 conglomerates such as ours. Under Brazil’s regulatory framework, Type 3 conglomerates are segmented from S2 to S5 based on size and complexity, with each segment subject to tailored prudential rules. As of the date of this annual report on Form 20-F, the Nu Pagamentos-led conglomerate is categorized in the S3 segment. However, we expect Nu Pagamentos to be classified as S2 within 2025. Internal teams are already working on all implementations needed, which involve preparation of new regulatory reports, new policies and procedures to be in place as well as new governance mechanisms.

Type 2 conglomerates, given their lower complexity and risk profile, are subject to simplified payments, credit and market components in the calculation of their risk weighted assets. These entities use a simplified methodology for determining regulatory capital requirements. Type 1 conglomerates are also subject to the RWA component, with the exception of S1 institutions, which may be governed by separate provisions to be changed by the CMN.

On May 12, 2022, the Central Bank of Brazil issued Resolution No. 229, which entered into effect on July 1, 2023, which improves and consolidates the procedures for the calculation of capital requirements in respect of exposures to credit risk through a standardized approach, or RWACPAD. It also replaced Circular No. 3,644, of March 4, 2013. The new prudential framework is more sensitive to credit risk, as Resolution No. 229 increases the granularity of the weights associated with the exposures to credit risk and refines the differentiation of the credit risk of each transaction. These changes align the Brazilian banking and finance regulations with the international best practice recommendations of the BCBS and integrate the framework known as “Basel III” into the Brazilian banking and finance regulations.

As mentioned, with the edition of the new prudential rules, Nu Pagamentos and its subsidiaries became a Type 3 conglomerate. In this context, the conglomerate led by Nu Pagamentos is currently subject to a minimum regulatory capital of US\$1.9 billion (R\$11.7 billion) as of December 31, 2024.

In preparation for Resolution CMN 4.966, a calculation was conducted to assess its impact on regulatory capital. The results indicate a minor effect on the Prudential Conglomerate CET1 Ratio, Tier I Ratio and Capital Adequacy Ratio (CAR).

On November 25, 2022, the Central Bank of Brazil issued Resolution No. 265, or “BCB Resolution No. 265/22”, which sets forth the requirements for risk management, capital management, and information disclosure policies for Type 3 conglomerates, such as Nu Pagamentos, the leading entity of our Type 3 prudential conglomerate. The conglomerate is currently classified under S3 but, as previously mentioned, is expected to transition to S2 in 2025.

The rule sets out different structures for risk and capital management, which are applicable for different risk profiles set out in the applicable regulation. Consequently, less sophisticated financial institutions can have a simpler risk management structure, while institutions with more complexity must follow stricter protocols.

Regulation of Credit Cards and Prepaid Payment Accounts

On May 19, 2021, the Central Bank of Brazil issued Resolution No. 96, or “Resolution No. 96,” which amended and restated the rules relating to the opening of postpaid payment accounts (i.e., those used in products such as credit cards) and prepaid payment accounts, in addition to making the criteria for opening these accounts compatible with the rules applicable to the opening of deposit accounts (checking accounts). The rule came into force on March 1, 2022.

Among other measures, Resolution No. 96 eliminated the exhaustive list of minimum customer registration information for opening prepaid and postpaid payment accounts; each institution now has discretion, subject to the Central Bank supervision, in order to determine what information it will require from the customer, depending on its profile. It also provided for new procedures with the goal of facilitating requests for prepaid and postpaid payment accounts to be closed.

In addition, Resolution No. 96: (i) revises the items that must be included in the invoices for postpaid payment accounts (i.e., credit cards), such as the need to include the total consolidated balance of contracted future obligations, such as installment purchases, credit operations and tariffs; (ii) defined minimum provisions that must be included in the account agreements; and (iii) mandated that the institution sends or makes available to the customer, by physical or electronic means, the credit card and the corresponding invoices, according to the form and channel chosen by the customer (among the options made available by the institution).

On December 21, 2023, the Central Bank of Brazil issued Resolution No. 365, which amended Resolution No. 96 and established requirements that should be added in the credit card bills and other postpaid instrument invoices, such as presenting information in an orderly form according to groups of information (i.e. highlighted area, payment alternatives and complementary information). This Resolution entered into force on July 1, 2024.

Interchange Fees

Interchange fees consist of the compensation paid by an acquirer to the issuer of a payment instrument in connection with a processed payment transaction. They are set by the payment scheme settler and vary according to some criteria, including type of payment instrument and classification of the merchant (MCC).

Since October 1, 2018 and until April 1, 2023, in the case of domestic purchase transactions carried out with debit cards (i.e., those issued under payment schemes of deposit accounts), the interchange fee was limited by Central Bank of Brazil Circular No. 3.887/2018, which sets forth the maximum limits of (i) 0.5% for the average interchange fee, weighted by the value of the transactions; and (ii) 0.8% as the maximum amount to be applied in any transaction. Corporate cards and non-present transactions were excluded from the scope of the rule.

On September 26, 2022 the Central Bank of Brazil issued Resolution No. 246, effective as of April 1, 2023, which establishes limits to the interchange fee and settlement period for prepaid cards (i.e., those issued under payment schemes of prepaid payment accounts, such as the prepaid cards issued by Nu Pagamentos), after receiving comments from the market as a result of Public Consultation No. 89, launched on October 8, 2021.

Resolution No. 246, among other matters, imposes a maximum limit for the interchange fee levied on all prepaid card transactions in Brazil to 0.7% which impacted our revenues from fee and commission income.

Compliance and Internal Controls

All Brazilian financial and payment institutions shall maintain internal guidelines and procedures to control their financial, operational and managerial information systems and shall comply with all the applicable legislation. CMN Resolution No. 4,595 of August 28, 2017, states that Brazilian financial institutions shall implement and maintain a compliance policy compatible with the nature, size, complexity, structure, risk profile and business model of the institution. Central Bank of Brazil Resolution No. 65 of January 26, 2021 sets forth similar rules for the Brazilian payment institutions.

On November 25, 2021, the CMN also issued Resolution No. 4,968, or “CMN Resolution No. 4,968/21”, which revoked, as of January 1, 2022, the previous CMN Resolution No. 2,554, of September 24, 1998, or “CMN Resolution No. 2,554/98”.

According to a statement released by CMN, CMN Resolution No. 2,554/98 was issued before the document from the Basel Committee Framework for Internal Control Systems in Banking Organizations, even though its provisions were essentially aligned with the precepts of this international document. In this context, with the enactment of CMN Resolution No. 4,968/21, the CMN deemed appropriate to update and improve certain rules concerning internal control systems, mainly in order to better adhere to internal standards and best internationally recognized practices. In particular, it sought adherence to the document published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), entitled Internal Control – Integrated Framework, in 2013. Central Bank of Brazil Resolution No. 260 of November 22, 2022 sets forth similar rules for the Brazilian payment institutions.

In addition, CMN Resolution No. 4,968/21 also sought to enhance the responsibilities attributed to the senior management of financial institutions, especially to the board of directors, as well as to detail the responsibilities of the executive office. Furthermore, CMN Resolution 4,968/21 provides that financial institutions must designate an officer responsible for internal controls matters (who may perform other duties within the institution, as long as there is no conflict of interest). The obligation to appoint this new officer came into force on January 1, 2023.

Finally, it should be noted that CMN Resolution No. 4,968/21 expressly provides that its provisions do not apply to payment institutions.

Insolvency Regimes

Brazilian financial and payment institutions authorized by the Central Bank of Brazil are subject to the resolution regimes that the Central Bank of Brazil may apply, which are set forth in: (1) Brazilian Federal Law No. 6,024/74, which provides for intervention and extrajudicial liquidation; (2) Decree-Law No. 2,321/87, which provides for the temporary special administration regime (*regime de administração especial temporária*, or “RAET”); and (3) Brazilian Federal Law No. 9,447/97, which provides for the joint and several liability of controlling shareholders and the freezing of their assets, as well as for the liability of independent auditors. The provisions applicable to bankruptcy, set forth in Brazilian Federal Law No. 11,101/05, apply secondarily to the extrajudicial liquidation regime.

The Central Bank of Brazil is responsible for the establishment and monitoring of resolution regimes, also acting on the administrative level in appeals filed against decisions of the board, intervener or liquidator, or in the authorization of specific acts set forth by law. The Central Bank of Brazil is required to initiate an investigation to find the causes that resulted in the application of the special resolution regime and the liability of management, controlling shareholders, members of the fiscal council and independent auditors.

On January 31, 2024, the Central Bank of Brazil released Public Consultations No. 98/2024 and 99/2024 with regulatory proposals for the recovery and resolution planning process of financial institutions and other institutions authorized to operate by the Central Bank of Brazil. As a result of public consultations on November 28, 2024, the Central Bank of Brazil issued Resolution No. 440, which came into force on January 1, 2025, setting forth that payment institutions performing critical functions must prepare and submit a Recovery and Organized Exit Plan (PRSO) to ensure the stability and regular functioning of the National Financial System (SFN) and the Brazilian Payment System (SPB) - adoption of the plan depends on Central Bank determination, which will be done through Central Bank website disclosure. Institutions must integrate recovery and resolution planning with their information, risk, and capital management processes, maintaining accurate and timely management information systems and implementing a monitoring program with indicators to track risks and enable the timely adoption of recovery and resolution strategies. Besides this, the PRSO must be prepared biennially with a reference date of December 31 and submitted to the Central Bank of Brazil by July 31 of the following year, with updates required for material changes affecting the institution's recovery or resolution capacity. Documentation supporting compliance with the resolution must be maintained for five years from the PRSO submission date.

These recent changes aim to promote greater adherence by Brazil to the best international practices regarding the resolution of financial institutions and to introduce a significant improvement in the way financial institutions prepare for possible crisis situations, putting into practice more robust recovery and resolution planning. If approved, the proposals will require institutions to present consistent and testable strategies for re-establishing their viability in the events of recovery and irreversible viability. In the event of resolution, the orderly discontinuation of these institutions is intended to ensure the stability of the National Financial System (SFN), the Brazilian Payment System (SPB), and the real economy.

The proposed regulation is expected to apply to institutions in Segment S1, which, according to prudential regulations, is made up of banks with a size equal to or greater than 10% of the Gross Domestic Product (GDP) or relevant international activity, and shall be applicable to all entities that are part of the prudential conglomerate and entities belonging to an economic group that perform core business lines, essential services, critical functions or critical services, and may also be extended to institutions authorized to operate by the Central Bank of Brazil that perform critical functions, as assessed by the central bank.

Intervention

Pursuant to Brazilian Federal Law No. 6,024/74, the Central Bank of Brazil has the power to appoint an intervener to intervene in the operations of or to liquidate any financial or payment institution other than public financial institutions controlled by the Brazilian federal government. An intervention may be ordered at the discretion of the Central Bank of Brazil if any of the following is detected:

- the institution has suffered losses leaving creditors at risk, due to mismanagement;
- the institution has consistently violated Brazilian banking laws or regulations; and
- such intervention constitutes a viable alternative to the liquidation of the institution.

Intervention may also be ordered upon the request of a financial or payment institution’s management, if its respective bylaws so authorize – with an indication of the causes of the request, without prejudice to civil and criminal liability in which the same administrators incur, by a false or malicious indication.

As of the date on which it is ordered, the intervention will automatically: (1) suspend the enforceability of payable obligations; (2) suspend maturity of any previously contracted obligations; and (3) freeze deposits existing on the date on which the intervention is ordered. The intervention period should not exceed six months, which may be extended only once for up to six additional months by the Central Bank of Brazil.

The intervention ceases: (1) if interested parties undertake to continue the economic activities of the institution, by presenting the necessary guarantees, as determined by the Central Bank of Brazil; (2) when the situation of the institution is normalized, as determined by the Central Bank of Brazil; or (3) when extra-judicial liquidation or bankruptcy of the entity is ordered.

Extrajudicial Liquidation

The purpose of the extrajudicial liquidation is to withdraw the relevant institution from the Brazilian financial and payment system, primarily in case of irrecoverable insolvency. The extrajudicial liquidation may also apply in cases of severe infractions, among other events pursuant to applicable law.

Under the extrajudicial liquidation regime, the institution's activities are interrupted, and all obligations are deemed due. Lenders are then submitted to a classification process based on the order of preference set forth by Brazilian Federal Law No. 11,101/05. This regime seeks the liquidation of existing assets to pay lenders.

The liquidator appointed by the Central Bank of Brazil has ample administration and liquidation powers, especially regarding the assessment and rating of credit. The liquidator may appoint and dismiss employees, determine their compensation, grant and terminate powers-of-attorney, propose actions and represent the institution in court or out of court. Under specific circumstances set forth by law, certain acts performed by the liquidator require the authorization of the Central Bank of Brazil, including to complete pending business, pledge or sell assets, and file for bankruptcy.

The extrajudicial liquidation ceases: (1) if the interested parties, presenting the required guarantees, proceed with the economic activities of the institution; (2) upon conversion into an ordinary liquidation, conducted by the institution itself, pursuant to private law, without the participation of the Central Bank of Brazil; (3) upon the approval of the final accounts of the liquidator and relevant write-off in the competent public registry; or (4) in the case of adjudication of bankruptcy of the institution. Only the liquidator can file for bankruptcy, subject to the authorization of the Central Bank of Brazil. Bankruptcy may be granted if the assets of the institution are not sufficient to cover at least half of the unsecured credit, or in the case of grounded evidence of bankruptcy crimes.

Temporary Special Administration Regime, or "RAET"

The RAET is a resolution regime that does not interrupt or suspend the usual activities of institutions. RAET's main effects include the removal of members of management from office and their replacement by a board or legal entity specialized in the area, with ample management powers.

The Central Bank of Brazil determines the duration of the RAET. Depending on the circumstances of each case, the RAET ceases: (1) if the Brazilian government takes over the control of the institution due to social interest; (2) in the event of conversion, merger, consolidation, spin-off or transfer of the institution's control; (3) once the institution resumes its usual activities; or (4) upon the adjudication of extrajudicial liquidation of the institution.

The foregoing list of laws and regulations to which we are subject is not exhaustive and the regulatory framework governing our operations changes continuously. Although we do not believe that compliance with future laws and regulations related to the payment processing industry and our business will have a material adverse effect on our business, financial condition or results of operations, the enactment of new laws and regulations may increasingly affect the operation of our business, directly and indirectly, which could result in substantial regulatory compliance costs, litigation expense, adverse publicity, the loss of revenue, and decreased profitability.

Repayment of Creditors in a Liquidation or Bankruptcy

Pursuant to the provisions of the Brazilian Federal Law No. 11,101/05, in the event of extrajudicial liquidation or bankruptcy of a financial or payment institution, creditors are paid pursuant to a system of priorities. Pre-petition claims are paid on a pro-rata basis in the following order:

- labor claims, capped at an amount equal to 150 times the minimum wages per employee, and claims relating to labor accidents;
- secured claims up to the encumbered asset value;
- tax claims, regardless of their nature and commencement of time, except tax penalties;
- claims with special privileges;
- claims with general privileges;
- unsecured claims;
- contractual fines and pecuniary penalties for breach of administrative or criminal laws, including those of a tax nature; and
- subordinated claims.

Super-priority and post-petition claims (for example, costs related to the liquidation or bankruptcy procedure), as defined under the Brazilian Federal Law No. 11,101/05, are paid with preference over pre-petition claims.

Anti-Money Laundering

Law No. 9,613 of March 3, 1998, as amended by Law No. 12,683 of July 9, 2012, or the “Anti-Money Laundering Law,” plays a major regulatory role in the oversight of banking and payment activities in Brazil. The Anti-Money Laundering Law sets forth the rules and the penalties to be imposed upon persons engaging in activities that constitute “laundering” or the concealing of property, cash or assets acquired or resulting from any kind of criminal activity. Such regulation further prohibits individuals from using the financial and payment systems for the aforementioned illicit acts.

Pursuant to the Anti-Money Laundering Law, banks, financial institutions, securities brokers, securities distributors, asset managers, leasing companies, payment institutions, insurance brokers, among others, must: (1) identify and maintain up-to-date records of their customers; (2) keep up-to-date records of all transactions involving securities, bonds, credit, financial instruments, metals or any asset that if converted into cash exceed the amount set forth by the competent authorities, and which shall be in accordance with the instruction issued by these authorities; (3) adopt AML internal control policies and procedures that are compatible with the size of the company; (4) register and maintain up-to-date records with the appropriate regulatory agency; (5) comply with *Conselho de Controle de Atividades Financeiras*, or “COAF,” requests and obligations; (6) pay special attention to any transaction that, in light of the provisions set forth by competent authorities, may indicate the existence of a money laundering crime; (7) report all suspicious transactions to COAF; and (8) confirm to the applicable regulatory agency that no offending transactions have occurred.

Brazil’s AML law specifies the acts that may constitute a crime and the required measures to prevent such crimes. It also prohibits the concealment or dissimulation of the origin, location, availability, handling or ownership of assets, rights or financial resources directly or indirectly originated from crimes, and subjects the agents of these illegal practices to imprisonment, temporary disqualification from managing enterprises up to 10 years, and monetary fines.

Central Bank of Brazil Circular No. 3,978, of January 23, 2020 (which came into force on October 1, 2020, or “Circular 3,978/20”), as amended by Resolution No. 119, of July 27, 2021 (which came into force on September 1, 2021), adopts a risk-based approach for dealing with money laundering and terrorist financing prevention, so that regulated institutions have the discretion to determine which procedures will be adopted for each customer, based on an internal risk assessment concerning the committing of crimes relating to money laundering and terrorism financing latent in their business. Circular 3,978/20 requires financial and payment institutions to: (1) identify customers, including obtaining information about the customer’s place of residence, in the case of a natural person, or the location of the head office or branch, in the case of a legal entity; (2) record transactions; (3) monitor events and report them to COAF; (4) conduct business with politically exposed persons; (5) establish and maintain relationships with financial institutions and foreign correspondents; (6) train employees; and (7) appoint an officer responsible for the implementation and enforcement of these measures. Circular No. 3.978/20 also incorporates regulations issued by the CVM on investment funds and non-resident investors, as well as regarding investment clubs, and investment funds organized as closed condominiums. Finally, in the case of operations using cash resources carried out through a cash transport company, the transport company is now considered the holder of the resources and will be identified by registering the tax registration number and the firm or corporate name.

Along the same lines, Resolution No. 50 of August 31, 2021, issued by CVM, and which came into force on October 1, 2021, establishes, among other obligations, that persons who engage in, on a permanent or occasional basis, as a main or ancillary activity, cumulatively or not, the custody, issuance, distribution, settlement, trade, intermediation, consultancy or management of bonds or securities, and independent audit within the scope of the stock exchange market must adopt rules, procedures and internal controls, also taking a risk-based approach, in accordance with previously and expressly established procedures to confirm the registration information of its customers, keep such information updated, and monitor the transactions carried out thereby, so as to prevent the use of the account by third parties and to identify the end beneficiaries of the transactions. These entities are also required to establish policies of anti-money laundering, terrorism financing and the financing of the proliferation of weapons of mass destruction (PLD/FTP), of internal risk assessment and of internal rules, procedures and controls. Moreover, along the same lines of the provisions of the regulations of the Central Bank of Brazil, such entities shall also identify and closely monitor the business relations maintained with politically exposed persons.

The COAF was created by the Anti-Money Laundering Law and was reviewed and changed in 2020 by Federal Law No. 13,974/2020. COAF’s purpose is to verify, examine, identify and apply administrative penalties to any suspicious or unlawful activities related to money laundering in Brazil, without prejudice to the jurisdiction of other bodies and entities, as well as report suspicious activities to the prosecutors and the police. COAF has a key role in Brazil’s AML and counter-terrorism financing system, and it is legally liable for the coordination of the mechanisms for international cooperation and information exchange.

Sharing Information on Signs of Fraud

On October 4, 2023, the Central Bank of Brazil issued Resolution No. 343, or “Resolution 343/2023”, establishing the necessary measures for sharing data and information on signs of fraud as referred to in CMN and Central Bank of Brazil Joint Resolution No. 6, of May 23, 2023, or “Joint Resolution 6/2023”.

Joint Resolution 6/2023 sets forth the requirements for sharing data and information on signs of fraud. In addition, Resolution 343/2023 establishes that financial institutions, payment institutions and other institutions authorized to operate by the Central Bank of Brazil should consider signs of actual or attempted fraud at least in the following activities: (i) opening deposit accounts or payment accounts; (ii) providing payment services; (iii) maintaining deposit accounts or payment accounts; and (iv) contracting credit transactions.

The new rules also establish the minimum set of data and information that must be retained. In this context, records containing signs of actual or attempted fraud must contain: (i) the identification of whoever perpetrated or attempted to perpetrate the fraud; (ii) a description of the signs of actual or attempted fraud; (iii) details of the institution responsible for recording the information; and (iv) details of the recipient account and its holder, if the activity is a payment service.

Fraud Prevention in the Provision of Payment Services

Resolution No. 142, issued by the Central Bank of Brazil on September 32, 2021, sets forth measures to be adopted by institutions to prevent fraud in the provision of payment services by financial institutions, other institutions authorized to operate by the Central Bank of Brazil, and payment institutions that are members of the SPB. According to the resolution, such institutions shall limit to a maximum of R\$1,000 per deposit account or prepaid payment, the provision of payment services for the period from 8:00 pm to 6:00 am. Such limit may be changed at the customer’s request, formalized in the channels of electronic service; however, the institution must establish a minimum period of 24 hours to carry out the increase.

Subject to the schedule provided for in the resolution, institutions must implement: (i) procedures intended for the evaluation of the customer prior to the offer of the anticipated service of the settlement of receivables on the same date as the transaction under a payment arrangement of which participate; and (ii) daily records of the occurrences of fraud or attempted fraud in the provision of payment services, including the corrective measures adopted. Based on these records, institutions must prepare a monthly report consolidating the occurrences and preventive and corrective measures adopted. This report should be forwarded to the audit and risk committees, the internal audit, the board of executive officers and the board of directors, if any.

On July 22, 2024, the Central Bank of Brazil issued Normative Instruction No. 491 and Resolutions No. 402 and No. 403 to enhance the overall security of the instant payment system. Under the new rules, transactions can still be initiated from unregistered devices for amounts up to R\$200 (US\$33.26), with a daily limit of R\$1,000 (US\$166.29). However, for transactions exceeding these amounts, the device must be registered in advance by the customer. Additionally, to provide additional protections to fund transactions, the Central Bank of Brazil mandates that Pix participants (including us) implement a fraud risk management solution that utilizes security information from the Central Bank of Brazil to identify unusual transactions. Pix participants must also provide easily accessible information to customers about fraud prevention measures. Furthermore, Pix participants are required to check every six months for fraud markings in the Central Bank of Brazil database, which will influence how they manage clients flagged for fraud risks. Both resolutions came into effect on November 1, 2024.

On September 2, 2024, the Central Bank of Brazil issued Public Consultation No. 104 to develop regulations aimed at strengthening centralized risk management frameworks within the SPB. The consultation proposes amendments to Central Bank of Brazil Resolution No. 150, dated October 2021, with a focus on enhancing and standardizing risk management practices across payment networks. In addition to risk management, the new regulations would address concerns related to money laundering, terrorist financing, and the proliferation of weapons of mass destruction. Key proposals in the public consultation include the implementation of centralized settlement systems for sub-acquirers by January 1, 2027, and the introduction of mandatory risk management elements such as periodic assessments and regular sharing of risk-related information among participants. The Central Bank of Brazil has outlined measures for managing financial risks through stress tests and backtesting, as well as rules ensuring that authorized transactions are fully paid to end users. Additional responsibilities are placed on acquirers regarding the risk management of transactions processed through sub-acquirers, and new regulations addressing fraud prevention, orderly exit plans, and chargeback liability would also be introduced. According to the proposed rule, payment scheme arrangers (card networks) will have 180 days post-regulation publication to seek authorization for necessary adjustments.

Politically Exposed Persons

Pursuant to Circular 3,978/20 and CVM Resolution No. 50, payment and financial institutions and other institutions authorized to operate by the Central Bank of Brazil or the CVM are required to obtain sufficient information from their customers to identify any Politically Exposed Persons from their customer base and monitor their transactions accordingly. In general terms, said rules define Politically Exposed Persons as any government agent who in the last five years has held or is holding, in Brazil or in foreign territories, relevant government positions, jobs or public office, as well as their representatives, family members and other closely related persons, and specifically list which government agents and persons fall under the definition of Politically Exposed Persons. This list must always be considered by financial and payment institutions and other institutions authorized to operate by the Central Bank of Brazil or the CVM. They also establish that the internal procedures developed and implemented by the payment and financial institutions and other institutions authorized to operate by the Central Bank of Brazil or the CVM, subject to such regulation, must be structured to enable the identification of Politically Exposed Persons and the origin of the funds for such customers’ transactions.

Transactions with Related Parties

The Banking Law restricts financial institutions from conducting credit transactions with related parties. Pursuant to CMN Resolution No. 4,693 of October 29, 2018, or “CMN Resolution No. 4,693,” the following persons are considered related parties of a financial institution for the purpose of such restriction:

1. its controlling shareholders (individuals or legal entities), pursuant to Article 116 of Law No. 6,404/76;
2. its officers and members of statutory or contractual bodies;
3. spouses, partners and blood relatives up to the second degree of individuals specified in items 1 and 2;
4. its individual shareholders with stakes equal to or greater than 15% in its capital; and
5. its legal entities:
 - (i) with stakes equal to or greater than 15% in the financial institution's corporate capital;
 - (ii) in which capital, directly or indirectly, the financial institution holds stakes equal to or greater than 15%;
 - (iii) in which the financial institution holds effective operational control or relevance in the deliberations, regardless of the equity interest held; and
 - (iv) with a common officer or board member in relation to the financial institution.

Notwithstanding the general restrictions, the following credit transactions with related parties are allowed: (1) transactions carried out under market-compatible conditions, without additional benefits or privileges when compared to transactions executed with other customers of the same profile of the respective institutions; (2) transactions performed with companies controlled by the Federal Government, in the case of federal public financial institutions; (3) credit transactions whose counterparty is a financial institution that is part of the same prudential conglomerate, provided that they contain a contractual subordination clause, subject to the provisions of item V of Article 10 of the Banking Law, in the case of banking financial institutions; (4) interbank deposits; (5) obligations assumed between related parties as a result of liability imposed on clearinghouse participants or providers of clearing and settlement services authorized by the Central Bank of Brazil or by the CVM; and (6) other cases authorized by CMN Resolution No. 4,693.

According to CMN Resolution No. 4,693, as of April 1, 2019, all financial institutions must adopt internal policies regulating transactions with related parties.

Brazil Law No. 7,492 enacted on June 16, 1986, which regulates crimes against Brazil's National Financial System, and criminalized the extension of credit by a financial institution to related parties in the cases not allowed by the Banking Law and CMN Resolution No. 4,693.

Punitive Sanctions

Legal violations under Brazilian payments, banking and/or securities laws may lead to administrative, civil and criminal liability. Offenders may be prosecuted under all three legal theories separately, before different courts and regulatory authorities, and face different sanctions with respect to the same legal offense.

Law No. 13,506, Central Bank of Brazil Resolution No. 131 of August 20, 2021, and CVM Resolution No. 45 of August 31, 2021, regulate administrative sanctioning proceedings as well as the various penalties, consent orders, injunctive measures, fines and administrative settlements imposed by the Central Bank of Brazil and the CVM.

Law No. 13,506 is noteworthy, as it:

- sets fines imposed by the Central Bank of Brazil of up to R\$2 billion or 0.5% of the entity’s revenue, arising from services and financial products provided in the year prior to the violation;
- limits fines imposed by the CVM to the greater of the following amounts: R\$50 million, twice the value of the irregular transaction, three times the amount of the economic gain improperly obtained or loss improperly avoided, or twice the damage caused by the irregular conduct. Repeat offenders may be subject to treble the amounts above;
- provides for the suspension, disqualification and prohibition from engaging in certain activities or transactions in the banking or securities market for a period of up to 20 years;
- temporarily bans offending individuals from serving in any managerial capacity for financial institutions;
- imposes coercive or precautionary fines of up to R\$100,000 per day, subject to a maximum period of 30 days in punitive fines;
- defines the scope of the Central Bank of Brazil’s regulatory authority;
- prohibits the offending institutions themselves from participating in the markets;
- provides for a penalty of “public admonition” in place of “warning”, imposed by the Central Bank of Brazil;
- empowers the Central Bank of Brazil to enter into cease-and-desist commitments;
- empowers the Central Bank of Brazil and the CVM to enter into administrative agreements;
- provides the CVM with the authority to ban the accused from contracting with official Brazilian financial institutions and participating in public bidding processes for a period of up to five years; and
- redefines related party transactions.

Penalties may be aggregated, and are calculated based on the following factors:

- gains obtained or attempted to be gained by the offender;
- economic capability to comply;
- severity of the offense;
- actual losses;
- any recurrence of the offense; and
- the offender’s cooperativeness with the investigation.

Law No. 7,492 provides a legal framework to hold controlling shareholders, officers and managers of a financial institution criminally liable. The regime under Law No. 7,492 also covers interventionists, liquidators and real estate managers, in the context of interventions, extrajudicial liquidation or bankruptcy, respectively. Those found criminally liable under Law No. 7,492 will be subject to detention and/or pecuniary fines.

Law No. 6,385 also imposes imprisonment and/or fines for banking or securities infractions.

Internal Auditing

CMN Resolution No. 4,879 of December 23, 2020 (applicable to financial institutions) and Central Bank of Brazil Resolution No. 93 of May 6, 2021 (applicable to payment institutions) provide for rules governing internal audits at financial institutions and others authorized to operate by the Central Bank of Brazil. Pursuant to such rules, financial and payment institutions must implement and maintain internal audit functions compatible with the nature, size, complexity, structure, risk profile and business model of the respective institution. Such activity must be the responsibility of: (i) a specific department in the institution or institutions that are part of its financial conglomerate, directly subordinated to the board of directors or, if one does not exist, the board of executive officers; or (ii) an independent auditor, provided that such independent auditor is not in charge of auditing the institution’s financial statements or any other activity that may create a conflict of interest.

Independent Auditors and Audit Committee

Pursuant to CMN Resolution No. 4,910 of May 27, 2021 as amended, or “CMN Resolution No. 4,910”, all financial institutions must be audited by independent auditors. The financial institutions may only hire independent auditors registered with the CVM and certified as experts in banking analysis by the Central Bank of Brazil. After such auditors have issued opinions auditing the financial statements of a certain financial institution for up to five complete and consecutive fiscal years, the Auditor’s team including managers, supervisors or any members with managerial positions, must be replaced. Central Bank of Brazil Resolution No. 130, of August 20, 2021, which entered into force on January 1, 2022, or “Resolution No. 130”, applicable to payment institutions, also contains provisions in this regard.

CMN Resolution No. 4,910 and Resolution No. 130, respectively, require financial institutions (and other institutions licensed to operate by the Central Bank of Brazil) and payment institutions to implement an individual audit committee or a unified audit committee for its conglomerate, as the case may be, if they: (1) are registered as a publicly-held company; (2) are leaders of a prudential conglomerate classified in Segment 1 (S1), Segment 2 (S2) or Segment 3 (S3), according to specific regulations; or (3) meet the criteria set forth in the specific regulation classified as S1, S2 and S3.

Ombudsman

Pursuant to CMN Resolution No. 4,860 and Central Bank of Brazil Resolution No. 28, both issued on October 23, 2020, financial and payment institutions, respectively, must (i) create an ombudsman department (individually for the institution or unified for its conglomerate) compatible with the nature and complexity of the institution's products, services, activities, processes and systems to establish an independent communication channel with their customers; and (ii) appoint individuals as an ombudsman and an ombudsman officer (who can also be the ombudsman himself).

The following are the ombudsman department's main responsibilities: (1) receiving, recording, instructing, analyzing and providing formal and adequate attention to claims from customers and users of the institution's products and services; (2) providing clarification regarding the status of a claim and information as to when a response is expected to be given; (3) sending a final answer within the applicable deadline; (4) keeping the board of directors or, if one does not exist, the board of executive officers, informed of the problems and shortcomings detected in the performance of its duties and the results of the actions taken by the institution's officers to resolve them; and (5) preparing and sending, to the internal audit department, to the audit committee (if one exists), and to the board of directors (or if one does not exist, to the board of executive officers), a semiannual quantitative and qualitative report on the ombudsman department's activities and its performance.

Whistleblowing Hotline

Pursuant to CMN Resolution No. 4,859, of October 23, 2020, financial institutions and other institutions licensed to operate by the Central Bank of Brazil are required to have a whistleblower hotline (*canal de denúncias*), through which their employees, customers, contractors, users and/or suppliers may anonymously report situations involving potential illicit activities of any nature related to the institution's activities. Accordingly, financial institutions are required to appoint a responsible department for forwarding all reported events to the appropriate departments for further handling. This department is also required to prepare reports semi-annually detailing, at least, the following information relating to each reported event: (1) number of reported events and their nature; (2) the departments that handled them; and (3) the average timeframe and relevant measures adopted to solve them. Such reports must be: (1) approved by the board of directors of the institution or, if one does not exist, the institution's board of executive officers; and (2) made available to the Central Bank of Brazil for at least five years.

Foreign Investment in Brazilian Financial Institutions

According to Decree No. 10,029 of September 26, the execution of direct or indirect foreign investments in voting or non-voting equity interest in Brazilian financial institutions by any individual or legal entity, regardless of the nationality, requires prior approval of the Central Bank of Brazil. Following the enactment of Decree No. 10,029, the Central Bank of Brazil published, on January 22, 2020, Circular No. 3,977, generally recognized as an interest of the Brazilian government in the foreign holding of equity or increase in equity interest in any financial institution headquartered in Brazil (which is still subject to the same requirements and procedures applicable to the acquisition of equity in any Brazilian financial institution), as well as the opening of any local branch of foreign financial institutions.

Until the enactment of such rules, the execution of such investments was subject to the enactment of a specific presidential decree on a case-by-case basis.

Corporate Interest Held by Financial Institutions in Other Legal Entities

Pursuant to CMN Resolution No. 5,043 of November 25, 2022, financial institutions may only hold, directly or indirectly, equity interest in other legal entities (incorporated locally or offshore) that supplement or subsidize their activities, provided that they obtain prior authorization from the Central Bank of Brazil and that the invested entity does not hold, directly or indirectly, equity of the referred financial institution. However, this requirement does not apply to: (1) equity interests typically held in the investment portfolios by investment banks, development banks, development agencies (*agências de fomento*) and multiservice banks with investment or development portfolios; and (2) temporary local equity interests not registered as permanent assets and not subject to consolidation by the financial institution.

Change of Corporate Control and Qualified Equity Interest

Pursuant to the provisions of CMN Resolution No. 4,970/21 (for financial institutions, such as Nu Financeira, and securities dealers and brokerage firms, such as Nu Investimentos) and the provisions of Central Bank of Brazil Resolution No. 81 of March 24, 2021 (for payment institutions, such as Nu Pagamentos), or “Resolution 81/21”, the change, transfer or modification of the control of financial or payment institutions authorized by the Central Bank of Brazil must be submitted to the prior approval of the Central Bank of Brazil in accordance with the above-mentioned regulations and such change, transfer or modification shall only be effected after such approval is duly obtained.

In addition, pursuant to the above-mentioned rules, if an individual or legal entity acquires, directly or indirectly, a qualified equity interest (i.e., 15% or more of the voting equity interest or 10% or more of the total equity interest) or expands qualified equity interest previously acquired, the Central Bank of Brazil shall be notified of such an acquisition or expansion of interest and has the right to request documents and information, as well as order that the acquisition be regular or undone in case of any irregularities.

Open Finance

According to CMN and Central Bank of Brazil Joint Resolution No. 1 of May 4, 2020, Open Finance is the standardized sharing of data, products and services by financial institutions, payment institutions and other institutions licensed to operate by the Central Bank of Brazil, at their customers’ discretion, through the opening and integration of their systems. Therefore, Open Finance is considered by the Central Bank of Brazil as an important tool for innovation in the financial and payments markets, and is expected to make such sectors more efficient, inclusive and competitive.

In 2023, the Central Bank of Brazil issued the following rules for the Open Finance implementation: (i) Resolution No. 294 (which came into effect on April 1, 2023), which established, among other things, technical requirements, and operational procedures for the Open Finance implementation, mainly related to the scope of the monitoring function assigned to the governance structure responsible for it; (ii) Joint Resolution No. 7 (which came into effect on October 30, 2023), which simplified the process of renewing consents for data sharing in Open Finance, allowing participating institutions, such as us, to offer longer terms than the current 12-month limit for data sharing, while maintaining the provision allowing clients to revoke their consent at any time; and (iii) Normative Instruction No. 441 (which came into effect on March 1, 2024, and was superseded by Normative Instruction No. 575, which came into force on December 23, 2024, its publication date), which created monitoring and performance rules, and reinforced the need to simplify customer experience in Open Finance, mainly by adoption of a minimum conversion rate for data sharing and payment initiation.

On July 5, 2024, the Central Bank of Brazil and the CMN introduced new Open Finance regulations aimed at enhancing payment transactions via the Pix system. The regulations, encapsulated in Joint Resolution No. 10 and Central Bank of Brazil Resolutions Nos. 398, 399, and 400, simplify payment initiation processes and facilitate contactless payments. Key changes include a new framework for governance and adjustments to mandatory participation requirements for institutions in the open finance ecosystem. Other significant changes set out by Resolutions Nos. 406 and 407 of August 2, 2024 include the ability for payment initiation service institutions to provide services without redirecting users to different platforms, thereby streamlining contactless payments and improving the user experience.

Starting January 2025, institutions with over five million customers have been required to participate in data sharing within the open finance ecosystem, while smaller institutions will have the option to opt-in voluntarily. Furthermore, for payment initiation services, participation will no longer be mandatory for all account-holding institutions; only payment initiation service providers and mandatory Pix participants will need to participate in data sharing within the open finance ecosystem.

Open Finance is under gradual legal, operational and technological development and implementation in Brazil, according to certain stages defined by the Central Bank of Brazil, which are still ongoing. Consequently, some of the applicable requirements and standards that will need to be complied with by Open Finance participants are still under discussion and preparation by a self-regulatory body created specifically for this purpose, as well as by the Central Bank of Brazil itself.

Instant Payment System

In 2020, the Central Bank of Brazil launched Pix, a real-time payment and transfer system designed to foster innovation, expand payment methods, and meet the needs of end-users. Pix is an open ecosystem that various types of payment service providers can join, and participation is mandatory for financial and payment institutions authorized by the Central Bank of Brazil that have more than 500,000 active customer accounts.

Nevertheless, since January 1, 2025, according to Resolution No. 429, only institutions authorized by the Central Bank of Brazil will be authorized to operate in the Pix ecosystem.

The Central Bank of Brazil is currently developing new tools to be integrated with Pix, enabling new possibilities for its use in different contexts. These new functionalities include Pix Collection (*Pix Cobrança*), Pix Withdraw / Pix Change (*Pix Saque / Pix Troco*), and Scheduled Pix (*Pix Agendado*), with Automated Pix (*Pix Automático*) and Guaranteed Pix (*Pix Garantido*) currently under development. These features aim to promote competitiveness and innovation in the payment segment, and to reduce costs and improve user experience, as Pix has been widely adopted by Brazilian consumers in the last few years.

Foreign Exchange

Law No. 14,286, or “New Foreign Exchange Law”, encompasses provisions regarding Brazilian capital abroad and foreign capital in the country. The main purpose of the New Foreign Exchange Law was to provide for the liberalization of Brazil’s FX market, which faced a lot of regulatory complexity as well as certain inconsistencies, to modernize the system and enhance innovation and competition, and all of which had a positive impact on attracting foreign capital, both for investment in the financial and capital markets and for direct investment, including long-term investments and investments in infrastructure projects and concessions. It also contributed to the greater international use of the Brazilian Real, facilitating the use of the domestic currency in international financial operations, such as the permission for the entry and remittance of payment orders in Brazilian Reais from Brazilian Reais denominated accounts of foreign institutions held in banks in the country.

The new legislation, with 29 articles and updated language, is more concise and consolidated more than 40 legal provisions issued over the last 100 years, bringing a higher level of legal certainty to the matters considered. It also encouraged the reduction of operational and legal structures of participants in the foreign exchange market, with increased efficiency in operations and in information sharing with the Central Bank of Brazil. It allows Brazilian financial institutions to allocate, invest and use the funds they raise, in Brazil and abroad, to carry out credit and financing transactions, both in Brazil and abroad, provided that the regulatory and prudential requirements established by the CMN and the Central Bank of Brazil be observed. It also changed the scope of the rules for transactions carried out by individuals, such as the permission to trade foreign currency between individuals on an occasional, non-professional basis, with a limit of up to US\$ 500. The amount which travelers, entering or leaving Brazil, must declare they have in cash was also increased to US\$ 10,000, or its equivalent in other currencies.

CMN Resolution No. 5,042 and Central Bank of Brazil Resolutions No. 277, 278, 279, 280 and 281 that came into force on December 31, 2022 establish general guidelines applicable to foreign exchange transactions. Resolution No. 277 establishes rules for the inflow and outflow of Brazilian Reais and foreign currency and other matters, including the possibility of payment institutions to file for authorization to operate in the foreign exchange market.

On October 17, 2023, the Central Bank of Brazil issued Resolution No. 348, which came into effect on November 1, 2023. This rule amends prior rules, provides, among other matters, that the execution of simultaneous foreign exchange transactions will no longer be required for foreign direct investments and granting of loans to foreign investors when there is no actual flow of funds involved in the underlying transaction, subject to other conditions as provided in Resolution No. 348. Foreign exchange transactions must still be followed in investments performed by non-resident investors in the Brazilian capital and finance markets.

On December 3, 2024, the Central Bank of Brazil and the CVM issued Joint Resolution No. 13, establishing a new regulatory framework for foreign investors in the financial and securities markets. This new rule aims to simplify and modernize procedures for non-resident operations in Brazil, enhancing efficiency and aligning these procedures with international best practices. It replaces previous resolutions, including CMN Resolution No. 4,373, dated September 29, 2014. The main changes introduced by the Joint Resolution include equalizing the minimum registration requirements for resident and non-resident investors, eliminating the need for non-resident individual investors to appoint a representative in Brazil or register with the CVM for certain operations, and expanding the use of non-resident checking or payment accounts for financial investments. Additionally, it removes the requirement for mandatory simultaneous foreign exchange operations for investment conversions and the need to register such investments in the RDE-Portfolio system. These measures aim to provide greater clarity and security for investors, particularly regarding changes in residency. Joint Resolution No. 13 came into force on January 1, 2025.

E-Commerce, Data Protection and Taxes

In addition to regulations affecting digital payment schemes, we are also subject to laws relating to Internet activities, e-commerce and data protection, as well as tax laws and other regulations applicable to Brazilian companies generally. Internet activities in Brazil are regulated by Brazilian Federal Law No. 12,965/14, as amended, known as the Brazilian Civil Rights Framework for the Internet, which embodies a substantial set of rights of Internet users, and obligations relating to Internet service providers. This law exempts intermediary platforms from liability for user-generated content in certain cases. On the other hand, this law provides for penalties (including fines) in case of non-compliance.

The laws and regulations applicable to the Brazilian digital payments industry and to the offering of financial services are subject to ongoing interpretation and change, and our digital payments business may become subject to regulation by other authorities. For further information on the risks relating to the regulation of business, please see “Item 3. Key Information—D. Risk Factors—Risks Relating to Regulatory Matters and Litigation—We are subject to extensive regulation and regulatory and governmental oversight as a digital banking platform and as a payment institution. Compliance with or violation of present or future regulations could be costly, expose us to substantial liability and force us to change our business practices, any of which could harm our business and results of operations.”

Consumer Protection Laws

We are subject to several laws and regulations designed to protect consumer rights, most importantly, Brazilian Federal Law No. 8,078/90, as amended (*Código de Defesa do Consumidor*, or the “Consumer Protection Code”), which sets forth the legal principles and requirements applicable to consumer relations in Brazil. This law regulates, among other things, commercial practices, product and service liability, strict liability of the supplier of products or services, reversal of the burden of proof to the benefit of consumers as the hypo-sufficient party, the joint and several liability of all companies within the supply chain, abuse of rights in contractual clauses, and advertising and information on products and services offered to the public. The Consumer Protection Code further establishes consumers’ rights to access and modify personal information collected about them and stored in private databases. These consumer protection laws could result in substantial compliance costs.

Customer and User Relations

Resolution No. 155/2021, or “Resolution 155,” sets forth rules and procedures regarding the relationship with customers and users of products and services by payment institutions authorized to operate by the Central Bank of Brazil, with the objective of ensuring fair and equitable treatment at all stages of the relationship with provider institutions of financial services and payments, as well as a convergence of the providers’ interests with those of their consumers.

Pursuant to Resolution 155, payment institutions shall: (i) draft and implement an institutional policy for their relationship with customers, which consolidates guidelines, strategic objectives and organizational values so that its activities are guided by ethical principles, accountability, transparency, and diligence; (ii) appoint an officer responsible for compliance with the obligations provided for in Resolution 155; and (iii) observe transparency and suitability rules. All these requirements are aligned with the requirements already foreseen for financial institutions, as per CMN Resolution No. 4,949, entered into force on March 1, 2022.



Data Privacy and Protection

With regard to compliance with data protection regulations, besides the Federal Constitution of Brazil, we are subject to the Brazilian Civil Rights Framework for the Internet, the Consumer Protection Code, Bank Secrecy Law, and the Brazilian Data Protection Law (the “LGPD”). We are also subject to intellectual property rules, and to tax laws and related obligations such as the rules governing the sharing of customer information with tax and financial authorities. It is unclear whether the tax, regulatory and law enforcement authorities would seek to obtain information regarding our customers. Any such request could come into conflict with the data protection rules, which could create risks for our business.

The Brazilian Civil Rights Framework for the Internet establishes principles, guarantees, rights and duties for the use of the Internet in Brazil, including regulation about data privacy for Internet users.

In September 2020, the LGPD was entered into force, and its administrative sanctions provisions became effective in August 2021 under the Brazilian Federal Law No. 14,010/20. The LGPD establishes detailed rules for the collection, use, processing and storage of personal data (including personal data of customers, suppliers and employees), and affects all economic sectors, including the relationship between customers and suppliers of goods and services, employees and employers and other relationships in which personal data is collected, whether in a digital or physical environment. Specifically, the LGPD establishes, among other things, data subject rights, the legal basis for personal data protection, requirements for obtaining consent from data subjects, requirements to implement a privacy governance program, obligations and requirements related to security incidents, data breaches and data transfers. Moreover, we may be liable for property, moral, individual or collective damages caused by us or by third-party providers or business partners that process personal data for us, and jointly liable for property, moral, individual or collective damages caused by our subsidiaries, due to non-compliance with the obligations established by the LGPD

The National Data Protection Authority (ANPD) is the body responsible for overseeing the protection of personal data and for regulating, implementing, and monitoring compliance with the LGPD in Brazil. In the event of non-compliance with the LGPD, the ANPD may have the power to impose administrative penalties depending on the gravity of the offense, according to criteria established by the ANPD through ANPD Resolution No. 4 of February 24, 2023, such as (1) warnings, with the impositions of a deadline for the adoption of corrective measures; (2) a one-time fine of up to 2% (subject to an upper limit of R\$50,000,000 per violation) of our gross sales; (3) a daily fine (subject to an upper limit of R\$50,000,000); (4) public disclosure of the violation; (5) the restriction of access to the personal data to which the violation relates, until corrective measures are implemented; (6) deletion of the personal data to which the violation relates; (7) partial suspension of the databases to which the violation relates for up to 12 months, until corrective measures are implemented; (8) suspension of the personal data processing activities to which the violation relates for up to 12 months; and (9) partial or full prohibition on personal data processing activities.

In 2024, the ANPD intensified its regulatory agenda, focusing on areas such as data breach incident communication, regulation of data subjects' rights, regulation of the Data Protection Officer roles and responsibilities, and strengthening guidelines for international data transfers. Complying with new requirements may demand complex adaptations in the Company's processes and systems, potentially increasing operational costs and creating compliance challenges. Additionally, any violations of the regulations established by the ANPD can result in severe penalties, negatively impacting Nubank's reputation and financial operations. Therefore, it is critical for Nu to remain proactive in adapting to regulatory changes to mitigate these risks. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Intellectual Property, Privacy and Cybersecurity—Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation.”

Bank Secrecy

Brazilian financial and payment institutions are subject to bank secrecy rules, pursuant to Supplementary Law No. 105, of January 10, 2001, and CMN Resolution No. 4,282, of November 4, 2013. Such institutions are required to maintain the secrecy of their active and passive transactions and services provided, except for certain events, including, but not limited to: (1) disclosure of confidential information upon the express consent of the interested parties or when requested by judicial authorities; (2) exchange of information between financial institutions for recording purposes; (3) remittance of record information to credit protection agencies related to drawers of bad checks and borrowers in default; (4) communication of criminal or administrative offenses to competent authorities; and (5) if they are responsible for withholding and paying contributions, remittance of information to the Brazilian Federal Revenue Office required to identify taxpayers and global amounts involved in their transactions.

Cybersecurity

Under CMN Resolution No. 4,893, of February 26, 2021, and Central Bank of Brazil Resolution No. 85, of April 8, 2021 and CMN Resolution No. 4,893, financial and payment institutions, respectively, must comply with cybersecurity requirements set forth herein applicable to the engagement of data processing and storage, and of cloud computing service providers in Brazil and offshore, as well as the implementation of policies and incidents response and action plans.

Environmental Accountability

According to Brazil's Federal Constitution, any individual or legal entity that causes damage to the environment, including financial institutions, will be subject to administrative and criminal sanctions, as well as the obligation to repair damages caused in the civil sphere. The National Environmental Policy establishes the general framework and guidelines for environmental protection, and financial institutions may be classified as indirect polluters and subject to the three spheres of responsibility: administrative, civil, and criminal.

In the civil sphere, environmental damages imply strict and joint liability, and the obligation to repair the degradation caused may affect everyone involved, directly or indirectly. There is no provision in Brazilian legislation for a cap or limitation on the amount to be set as compensation for environmental damage. Criminal liability for environmental crimes is subjective, and the offender will only be penalized if he or she acts with intent or guilt. The Environmental Crimes Law provides for the accountability of all those who participate in the practice of crimes against the environment, including both individuals and legal entities.

Social, environmental and climate risk management

In 2022, the Central Bank of Brazil issued Resolution BCB 265/22 with requirements on integrated risk management specific to conglomerates led by payment institutions, as well as on the risk and capital management framework and disclosure policy of institutions regulated by the Central Bank of Brazil. This regulation replaces BCB Resolution 4,943 regarding social, environmental and climate risk management requirements. It did so to, among other relevant provisions, highlight and distinguish social, environmental and climate risks as requiring identification, measurement, assessment, monitoring, reporting, control and mitigation within the risk management framework of financial institutions. The rule defines such risks, bringing new and modern concepts to the sector, such as the inclusion of the two main components of climate risks – the physical and the transition – already recognized in international standards on the subject. The emphasis given by the standard to the inclusion of mechanisms to identify and monitor social, environmental and climate risks incurred by the financial institution resulting not only from its products, services and activities, but also from the activities performed by its counterparties, controlled entities, suppliers and outsourced service providers of the institution, providing a new supply chain vision to the issues it addresses. The adoption of a governance structure and criteria for this management and its continuous monitoring are also detailed in the resolution, in line with market trends.

Similar provisions were also inserted in the simplified continuous risk management structure referring to the Simplified Reference Equity (PRS5) by the new CMN Resolutions No. 4,944 and No. 5,049, which amended CMN Resolution No. 4,606.

Moreover, according to CMN Resolution No. 4,945, prudential conglomerates (segments S1, S2, S3, S4 and S5) are required to prepare and implement a Social, Environmental and Climate Responsibility Policy, or “PRSAC”. Under PRSAC, financial institutions are expressly required to consider impacts, strategic objectives and business opportunities of the financial institution related to social, environmental and climate aspects. There was also a reduction in the PRSAC review period, from five to three years.

The Central Bank of Brazil requires the publication of a report on the SAC risk management structure, a report called Report on Social, Environmental and Climate Risks and Opportunities, or “GRSAC Report,” by financial institutions (BCB 139/21). Under the terms of the ECP itself, this Resolution seeks to address the recommendations of the Task Force on Climate-related Financial Disclosures, or “TCFD,” at the national regulatory level. The GRSAC Report must be disclosed annually with a base date of December 31, observing a maximum period of 90 days counted as of December 31, and must be made available on the financial institution’s website for a period of five years.

Additionally, Resolution BCB 151/21 requires financial institutions to share certain information on social, environmental and climate risks of their credit portfolio of financial institutions, through a report called Social, Environmental and Climate Risk Document or DRSAC. Such information must be sent every six months to the Central Bank of Brazil.

In November 2024, the CMN issued Resolution No. 5,185 and BCB Resolution 435, which mandate that larger financial and payment institutions prepare and disclose a report of financial information related to sustainability alongside their financial statements. This report must comply with the International Sustainability Standards Board's IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) pronouncements, as well as the Brazilian Sustainability Pronouncements Committee (CBPS)'s Technical Pronouncement 01 and 02 on the same matters. The requirement applies to institutions that disclose consolidated annual financial statements in accordance with the international accounting standards of the International Accounting Standards Board (IASB), including publicly-traded companies and leaders of prudential conglomerates in the S1, S2, or S3 segments, such as Nu. Consequently, institutions that voluntarily publish consolidated financial statements must also disclose the sustainability report, which must be verified by an independent auditor. Resolution No. 5,185 came into force on January 1, 2025, with disclosure obligations beginning in 2026 for institutions registered as publicly-held companies or in the S1 or S2 segments, and in 2028 for institutions in the S3 segment and those that voluntarily publish consolidated financial statements. Early voluntary adoption is permitted.

Recent Developments in Brazil

Revolving Credit (Crédito Rotativo) Regulations

Over the past few years, several bills of law have been presented in the National Congress to regulate the limitation of revolving credit (*crédito rotativo*) and other types of credit applied to the financing of outstanding balances of credit card invoices in Brazil, since the general perception is that this type of credit significantly burdens the consumer of financial services in Brazil.

In this context, on October 3, 2023, Brazilian Federal Law No. 14,690, or “Law 14,690/2023”, was published, establishing that credit card issuers must submit for approval of the CMN regulations that limit the interest and financial fees charged on the outstanding balance of credit cards invoices, in the categories of revolving credit (*crédito rotativo*) and installment credit (*parcelado*).

With the enactment of Law 14,690/2023, the Central Bank of Brazil has regulated, through CMN Resolution No. 5,112, of December 21, 2023, or “CMN Resolution 5,112/2023”, the limitation provided for in Law 14,690/2023, which sets forth that the total amount charged by institutions that grant financing through revolving credit and/or installment credit as interest and financial charges may not exceed the original amount of the debt financed. This limitation applies to all issuers of credit cards and other postpaid payment instruments.

Overall, CMN Resolution 5,112/2023 sets forth the following:

- all revolving credit operations and debt or invoice installment payments by issuers, as well as any renegotiation of these operations by issuers, are now be subject to the limit on interest and charges based on the original value of the debt;
- such limit applies to each new revolving credit operation or installment credit with interest; and
- civil default interest and contractual fines resulting from penalty clauses (imposed for late payments), as well as other fees and commissions incident to the financing operation, make up the calculation of interest that is subject to the limit mentioned therein.

CMN Resolution 5,112/2023 also ensures that credit card issuers and holders can renegotiate the financing, provided that the total amount charged as interest and financial charges applicable to each renegotiation does not exceed the amount of the debt originally constituted.

The rule provides that the original amount of the debt, as well as the total amount charged as interest, and financial charges applicable to each financing operation must be detailed in the respective statements and invoices in connection with current regulations (i.e., CMN Resolution No. 5,004, of March 24, 2022, and Resolution 96, of May 19, 2021).

CMN Resolution 5,112/23 came into force on the date of its publication, however, considering the provisions of the Law 14,690/2023, the interest rate limitation will apply to any new financing (revolving and installment credits) agreed as of January 3, 2024. Financing operations agreed up to this date follow the previous rules.

The provisions of CMN Resolution 5,112/2023 have been applied throughout 2024 and will also apply throughout 2025. However, as Law 14,960/2023 sets forth that relevant stakeholders may submit to the Central Bank of Brazil a self-regulation proposal that can be reviewed on an annual basis, it is possible that in the next year such self-regulation is further approved by the CMN and adopted as the market standard instead of the provisions of CMN Resolution 5,112/2023 (subject to the limitations provided in Law 14,960/2023).

Interest Rates Cap

Law No. 14,905 of 2024, published on July 1, 2024, introduces significant amendments to the Brazilian Civil Code, particularly concerning adjustment for inflation and interest accrual in cases of default. The law allows parties to freely determine the index used to calculate the adjustment for inflation and interest rates in contracts, within legal limits. In the absence of specific provisions, adjustment for inflation will be based on the Broad National Consumer Price Index (IPCA), while statutory interest will be calculated based on the Basic Interest Rate of the Special Settlement and Custody System (SELIC) rate minus the applicable index, with a floor of zero. Additionally, the law mandates the Central Bank to create a publicly accessible tool for simulating statutory interest rates. National Monetary Council (CMN) Resolution No. 5,171, of August 29, 2024, details the formula for calculating interest rates pursuant to the law.

Law No. 14,905 also limits previous legal provisions that capped interest rates as provided by Decree-Law No. 22,626, of April 7, 1933, or the Usury Law, expressly stating that the Usury Law does not apply to certain obligations undertaken outside the National Financial System. These include transactions contracted solely between legal entities, represented by debt instruments or securities, involving financial institutions and other Central Bank-licensed institutions, among others, and carried out in the financial, capital, or securities markets.

All relevant provisions of Law No. 14,905 entered into force on August 30, 2024.

Virtual Assets and Virtual Asset Service Providers

In Brazil, the virtual asset market is governed by Law No. 14,478/2022, which set the guidelines for the provision of virtual asset services and for the regulation of virtual asset service providers, or “VASPs.” Under Decree No. 11,563/2023, the Central Bank of Brazil is responsible for authorizing, regulating and supervising the entities qualifying as VASPs under Law No. 14,478/2022 – which excludes virtual assets qualifying as securities (among others). As of the date of this annual report, the Central Bank of Brazil has not issued regulations governing the licensing process and other topics involving VASPs in Brazil.

However, on December 14, 2023, the Central Bank of Brazil published Public Consultation No. 97 to gather input from the market for regulating the activities of VASPs, based on Law No. 14,478 of 2022. This questionnaire-style public consultation addresses mainly the following topics: asset segregation and risk management, use of virtual assets in cross-border payments and direct investments, consolidation of activities and virtual asset trading, subcontracting of essential services, rules of governance and conduct, cybersecurity, disclosure and customer protection and transition rules.

On November 8, 2024, the Central Bank of Brazil launched Public Consultations No. 109 and 110, proposing a regulatory framework for virtual asset services, VASPs and the provision of virtual asset services by other institutions authorized by the Central Bank of Brazil (including multiservice banks and securities broker and dealer firms). Public Consultation 109 focuses on the incorporation and operation of VASPs and regulatory requirements applicable to the offering of virtual asset services by VASPs and other regulated entities, including asset segregation requirements, anti-money laundering rules, and the possibility of engaging foreign custodians. Public Consultation 110 addresses the authorization and licensing process for VASPs, foreign exchange brokerage firms and securities broker and dealer firms.

Furthermore, on November 29, 2024, the Central Bank launched Public Consultation No. 111, which aims to regulate VASPs' operations in the foreign exchange market. This draft rule allows for international payments and transfers using virtual assets as a means of settlement and without involving fiat currency conversions, subject to certain restrictions. The Central Bank also sets limits on transactions and requires VASPs to verify the origin of virtual assets from non-resident self-custodied wallets.

Public Consultation regarding Market Risk Capital Requirements

On August 20, 2024, the Central Bank of Brazil and the CMN launched Public Consultation No. 102, which proposed amendments to Resolutions CMN No. 4,958 and BCB Resolution No. 200, regarding the calculation of risk-weighted assets (RWA) for market risk exposures in trading portfolios, aligning with the Fundamental Review of the Trading Book (FRTB) under Basel III. The Consultation established a new RWA component, RWA_{SENS} , calculating required capital for market risk exposures in the trading book and replacing the current exposure-based methodology with a sensitivity-based approach. These changes represent a significant shift towards a sensitivity-based approach for market risk capital requirements, aligning with international standards and enhancing market risk management for Brazilian financial institutions.

Public Consultation regarding Prudential Regulation for Financial Conglomerates

On September 24, 2024, the Central Bank of Brazil, in a joint effort with the CMN, launched Public Consultation No. 106, which proposed amendments including changes to policies, strategies, and processes to ensure the timely transfer of liquidity between institutions within the same prudential conglomerate. This aims to address potential liquidity imbalances and prevent localized losses from spreading, thereby avoiding the need for supervisory intervention. The amendments also propose extending the Short-Term Liquidity Coverage Ratio (LCR) requirement to a sub-consolidated basis for entities within Brazil, ensuring that liquidity resources are available domestically in times of need, as well as updating the calculation for Leverage Ratio (RA), setting a minimum RA requirement of 3% for materially relevant institutions in Segments 1 (S1) and 2 (S2).

The proposed changes aim to align Brazil's prudential regulation with international standards, particularly the Basel III framework, and to enhance the stability and resilience of the financial system.

Public Consultation regarding Banking as a Service (BaaS) Regulation

On October 31, 2024, the Central Bank of Brazil launched Public Consultation No. 108, which intends to set a new framework for the Banking as a Service (BaaS) model between financial institutions, payment institutions, and other entities authorized by the Central Bank of Brazil and non-regulated parties. A significant aspect of the proposed regulation focuses on the arrangements for the offering of payment services. From an anti-fraud perspective, it is expected that by requiring the use of regulated accounts for the execution of BaaS services and implementing prevention and traceability rules, the new regulation will enhance the efficiency of prevention mechanisms. The proposal provides that subacquirers must operate exclusively through BaaS arrangements, requiring them to partner with an authorized BaaS provider. This aims to enhance transparency, security, and regulatory oversight of payment services, while restricting the activities of sub-acquirers and increasing operational costs for settling transactions. While this could have positive impacts in terms of fraud prevention, it may also negatively affect payment schemes relationships by imposing additional compliance burdens and limiting the role of subacquirers.



Public Consultation regarding Naming Regulations for Authorized Institutions in Brazil

On February 13, 2025, the Central Bank of Brazil launched Public Consultation No. 117, which intends to require institutions to use terms in their names that clearly indicate their authorized activities. Pursuant to the Consultation, institutions would be prohibited from using terms suggesting unauthorized activities or implying a different type of institution, such as “bank” for non-banking institutions. Prudential conglomerates can use terms referring to their authorized activities or the name of a member institution, and member institutions can include the conglomerate's name if they specify their specific authorization. The proposed rule provides for a transition period for adaptation with respect to existing entities.

The proposed resolution also forbids authorized institutions from partnering with entities that use misleading terms in their names. Institutions must clearly communicate their authorized activities and services in all communication channels and disclose their prudential conglomerate affiliation if applicable.

Mexico

Our Regulatory Position

In Mexico, our products are offered by Nu México Financiera, S.A. de C.V., S.F.P., a financial institution (subject to the Popular Savings and Credit Law) authorized to receive deposits and grant loans. Similar to financial entities in Brazil, financial entities in Mexico are subject to extensive regulation and the oversight of the CNBV (an administrative authority which, among other matters is in charge of prudential regulations), Condusef (the financial consumer protection agency), and also the Bank of Mexico or "Banxico" (the Central Bank of Mexico, with authority to regulate among other matters payment systems and financial products). Mexican authorities have been reviewing the regulations applicable to financial entities and closely supervise financial technology companies. The main characteristic of a Sofipo-type license is to enable institutions to take deposits from customers, while having fewer assets and lower capital requirements compared to banks. In October 2023, Nu applied for a banking license before the CNBV. This strategic move aims to provide a broader and more robust regulatory profile through which Nu Mexico will be able to provide its customers with a wider range of products and benefits, including investments, payroll portability, and higher deposit limits.

Legal and regulatory framework Applicable to the Mexican Financial System

General Overview

The Mexican payment systems operate under a comprehensive legal framework designed to ensure financial stability, consumer protection, and compliance with international financial standards. Mexican payment systems are subject to the supervision of the Bank of Mexico and the CNBV.



The regulatory landscape is shaped by laws and secondary regulations applicable to high value payment systems (the interbank payment system or SPEI) and low value payment systems (cards and checks). Payment system regulations apply to financial institutions, payment service providers, and fintech companies, among other participants, ensuring interoperability, security, and efficiency in transactions.

Regulations applicable to payment systems are far reaching, and refer not only to the payment processes themselves, but also to consumer protection, competition, and anti-money laundering matters.

Legislation Applicable to Nu México Financiera, S.A. de C.V., S.F.P.

Nu México must comply with several key laws and regulations, including:

- Law of Popular Savings and Credit (LACP): Governs Sofipos, setting rules for their operation, capitalization, and supervision;
- Law for the Transparency and Order of the Financial System, which covers transparency and consumer protection regulations;
- Law to regulate Financial Technology Institutions, which covers open banking rules, transactions with cryptocurrencies by financial institutions and sandbox programs;
- Federal Law on the Protection of Personal Data Held by Private Parties (LFPDPPP), which regulates data privacy obligations for financial institutions handling customer information;
- Code of Commerce, setting forth specific requirements applicable to commercial activities (e.g., electronic transactions);
- General Law for Negotiable Instruments and Credit Transactions, setting forth requirements applicable to financial products and agreements (e.g., deposits, promissory notes).

Nu México is also subject to secondary regulations, including:

- Corporate governance, capitalization, electronic channels, and third-party contracting, as regulated by CNBV;
- Transparency, credit and prepaid cards, payment systems, as regulated by the Mexican Central Bank;
- Ani-money laundering and terrorism financing, as regulated by the Ministry of Finance and Public Credit;
- Transparency and consumer protection, as regulated by the Condusef.

Main Regulatory Authorities in Mexico

The main regulatory authorities that oversee our business are:

- Ministry of Fiance and Public Credit (SHCP): Sets forth the policy regarding financial institutions, and issues secondary regulations regarding anti-money laundering and terrorism financing, among other matters;
- CNBV: Oversees the financial system, ensuring compliance with applicable laws and supervising Sofipos, banks, and fintech companies;
- Bank of Mexico (Banxico): Regulates the national payment system, setting rules for electronic transactions, clearinghouses, and financial interoperability; financial products; and prudential matters of financial entities.
- National Commission for the Protection and Defense of Financial Services Users (Condusef):



Protects consumer rights and ensures fair practices in financial services.

Rules Governing the Payment System

Banxico’s rules on Payment Networks and Interoperability: Establishes guidelines for card payment and electronic payment networks. Banxico’s rules (Circular 13/2017) establish specific requirements for payment system interoperability, which shall be observed by Sofipos.

Banxico’s rules on Electronic Payment System (SPEI) Regulations: Govern real-time payments and electronic fund transfers, ensuring security and transparency in digital transactions. Regarding payment systems, Sofipos may participate in them in accordance with Banxico’s rules (Circular 14/2017), which regulates access to and use of the Interbank Electronic Payment System. This regulation requires Sofipos to have a robust technological infrastructure, effective internal controls, and cybersecurity measures to ensure the authenticity and security of electronic transactions.

SHCP’s AML/CFT Regulations: Sofipos and financial entities must adhere to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) obligations as defined by the Financial Intelligence Unit (UIF) and international standards. Nu Mexico shall comply with the Federal Law for the Prevention and Identification of Operations with Illicit Proceeds (LFPIORPI), which mandates specific controls for customer identification and anti-money laundering procedures, including reporting obligations to the Financial Intelligence Unit.

Sofipos

Nu Mexico operates as a Sofipo, which is an entity authorized to offer various financial services, including:

- Deposits: Accepting savings and term deposits from the public.
- Loans: Providing loans to individuals and small businesses.
- Payment Services: Facilitating payment operations such as money transfers and payment processing.

These activities position Sofipos as key players in enhancing financial inclusion by offering accessible financial products. However, in October 2023, Nu applied for a banking license before the CNBV. This strategic move aims to provide a broader and more robust regulatory profile through which Nu Mexico will be able to provide its customers with a wider range of products and benefits, including investments, payroll portability, and higher deposit limits.

Payment Schemes

Sofipos participate in payment schemes that enable them to process transactions efficiently and securely. Their involvement in these schemes ensures that clients can perform transactions such as fund transfers and bill payments, thereby integrating underserved populations into the formal financial system.

Capital Requirements for Operational Risks

In Mexico, Sofipos are regulated under the Law of Popular Savings and Credit (LACP) and the regulatory framework established by the CNBV. The capital requirements for operational risk for Sofipos follow the guidelines set forth in Basel III, adapted to the Mexican financial system, ensuring financial stability and protecting depositors. Sofipos are required to allocate capital for operational risks based on the methodologies defined by the CNBV, which align with the Basel Committee’s standards. The current methodology includes several key elements, such as the Basic Indicator Approach (BIA), which includes operational risk capital requirements that are determined as a percentage of the Sofipo’s gross income, reflecting its exposure to operational risk. The CNBV periodically updates capital requirement methodologies to align with international best practices, such as Basel III.

Transparency Regulations

Sofipos must comply with transparency requirements, and consumer protection regulations under a framework set forth by the Condusef, CNBV and Banxico. Such requirements include, using standard form agreements with clear language, disclosing the total annual costs of credit cards and the total annual gain under deposit and investment agreements, applying an interest rate expressed in annual terms for loans, disclosing any fees charged to customers in exhibits to its customer-facing agreements, and implementing processes to handle loss or theft of card, among others.

These regulations collectively aim to enhance the stability, security, and transparency of financial services in Mexico, ensuring consumer protection and fostering trust in the financial system, and Condusef and Banxico are active in reviewing and assessing compliance with such regulations.

Compliance and Internal Controls

In Mexico, as a Sofipo, we are mandated to implement robust compliance frameworks and internal controls to ensure adherence to applicable regulations and safeguard the institution's integrity. Key requirements include:

- Corporate Governance: Establishing governance structures with clear roles and responsibilities to oversee operations effectively.
- Risk Management: Implementing comprehensive risk management systems to identify, assess, and mitigate potential risks.
- Internal Audits: Conducting regular internal audits to evaluate the effectiveness of internal controls and compliance procedures.

These measures are designed to promote transparency, accountability, and sound management practices within Sofipos.

Insolvency Regimes

The LACP outlines specific procedures for addressing financial distress within Sofipos, including:

- Intervention: The CNBV may intervene in a Sofipo's operations if significant irregularities or solvency issues are detected. This intervention aims to protect depositors and maintain financial stability.
- Extrajudicial Liquidation: If a Sofipo is deemed non-viable, the CNBV can initiate an extrajudicial liquidation process to orderly wind down operations and settle obligations.
- Temporary Special Administration Regime: In certain cases, a temporary special administration may be appointed to manage the Sofipo's affairs, with the goal of restoring stability or facilitating an orderly resolution.

Compliance and Internal Controls

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- Corporate Governance: Establishing governance structures with clear roles and responsibilities to oversee operations effectively.
- Risk Management: Implementing comprehensive risk management systems to identify, assess, and mitigate potential risks.
- Internal Audits: Conducting regular internal audits to evaluate the effectiveness of internal controls and compliance procedures.

These measures are designed to promote transparency, accountability, and sound management practices within Sofipos.

Internal Auditing

Internal auditing serves as a critical component in evaluating and improving the effectiveness of governance, risk management, and control processes. Mexican regulations mandate that financial institutions maintain measures of control that include evaluations by internal auditing areas or independent external auditors to assess compliance with anti-money laundering provisions.

Independent Auditors and Audit Committee

Pursuant to the secondary regulations issued by the CNBV, Sofipos must hire an independent auditor firm which complies with eligibility requirements set forth in such regulations, such as independence and holding a certification issued by the CNBV. Our independent auditors provide an objective assessment of the financial statements and operations of the Mexican entity. See also “Item 6. Directors, Senior Management and Employees—C. Board Practices” for a discussion on our audit committee’s role in ensuring integrity and transparency of our operations and financial reporting.

Anti-Money Laundering

Sofipos must comply with stringent AML regulations to prevent financial crimes, as set forth in the Law of Popular Savings and Credit (LACP) and secondary regulations issued by the SHCP. Such obligations include:

- Customer Due Diligence (CDD): Verifying the identity of clients and understanding the nature of their activities.
- Transaction Monitoring: Implementing systems to detect and report suspicious transactions.
- Reporting Requirements: Submitting reports on large or unusual transactions to relevant authorities.

Additionally, in Mexico, the Federal Law for the Prevention and Identification of Transactions Involving Illicit Proceeds (LFPIORPI) mandates that commercial entities establish internal controls to prevent and detect money laundering, and provides that financial entities such as Nu Mexico will be subject to the special rules mentioned above. This includes conducting regular audits, implementing automated systems, and adopting a risk-based approach to monitor transactions effectively.

Politically Exposed Persons

Politically Exposed Persons (PEPs) are individuals who hold or have held prominent public positions and may present higher risks due to potential involvement in corruption or money laundering activities. Mexican regulations require financial institutions to implement enhanced due diligence measures when establishing business relationships with PEPs. This includes obtaining senior management approval, establishing the source of funds, and conducting ongoing monitoring of the business relationship to detect unusual transactions.

Punitive Sanctions

Non-compliance with Mexican regulatory requirements can result in punitive sanctions, including fines, restrictions on operations, or revocation of licenses. The LFPIORPI outlines various sanctions for entities that fail to comply with anti-money laundering obligations, emphasizing the importance of adherence to legal standards.

Fraud Prevention in the Provision of Payment Services

Financial institutions are required to comply with fraud prevention requirements. Banxico's regulatory framework requires that the use of credit and debit cards be protected by authentication and certification requirements in order to prevent fraud. In addition, The CNBV requires that Sofipos, among others, notify their clients about irregular or suspicious activities, and put together identification mechanisms, and other processes to detect, prevent and remediate irregular transactions and Fraud.

Ombudsman

An ombudsman acts as an impartial intermediary between the institution and its customers or employees, addressing complaints and resolving disputes. Establishing an ombudsman function demonstrates the institution's commitment to accountability and fair treatment, thereby enhancing trust and credibility among stakeholders.

Sofipos are required to have a consumer attention unit to receive claims and address concerns by customers.

Whistleblowing Hotline

In Mexico, Sofipos do not have an explicit regulatory obligation to establish a whistleblowing channel for reporting irregularities or misconduct within the organization. However, implementing such channels is considered a best practice in the areas of corporate integrity, corruption prevention, and ethical compliance.

Additionally, Condusef establishes provisions requiring financial institutions, such as Nu México, to provide the necessary information for supervision, customer service, and dispute resolution. While these provisions mainly focus on consumer protection, they reflect the importance of having adequate mechanisms for receiving and managing complaints and reports.

Nu México has a mandatory internal whistleblower system set forth in its Code of Conduct available and applicable to all employees. Employees are trained and encouraged to use the system if they detect any conduct that could breach regulations.

E-Commerce, Data Protection and Taxes

The regulatory landscape governing e-commerce, data protection, taxation, and consumer protection is comprehensive, aiming to foster digital commerce while safeguarding consumer rights and ensuring compliance with fiscal obligations.

- E-commerce in Mexico is regulated to ensure consumer protection and fair business practices. The legal framework requires that consumers receive adequate protection to prevent fraud during online transactions. This regulation was established in April 1998 by the Organization for Economic Cooperation and Development (OECD) through its Consumer Policy Committee, recommending that governments, suppliers, consumers, and their representatives adhere to guidelines for the formulation and implementation of self-regulatory schemes for consumer protection in e-commerce.
- Regarding data protection regulation, Nu complies with the Federal Law on the Protection of Personal Data Held by Private Parties (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*) that governs data protection in Mexico. This law mandates that any transfer of personal data to foreign entities must ensure an equivalent level of protection as provided under Mexican law. Before transferring data internationally, businesses must obtain explicit consent from data subjects, specifying the purpose of the transfer and the destination.
- For taxation of Digital Service, Mexican authorities have implemented tax regulations to ensure that digital platforms comply with fiscal obligations. Starting from reforms initiated in 2020, digital platforms are now obliged to act as intermediaries in tax collection, enhancing compliance with Mexican tax regulations.

Consumer Protection Laws

Consumer protection in the financial services sector is supported by a robust legal framework that guarantees consumer rights and promotes transparent and fair practices by financial institutions. The main applicable regulations are:

1. Law for the Protection and Defense of Financial Services Users: This law aims to protect and defend the rights and interests of the general public using financial services provided by authorized institutions. It establishes the organization, procedures, and operation of the Condusef, which is responsible for assisting and supporting users in resolving complaints and claims against financial institutions.
2. Law for Transparency and Regulation of Financial Services: This law promotes transparency in financial operations and services, as well as regulates the fees and interest rates that financial institutions may charge users.
3. Federal Consumer Protection Law: Although this law has a general application, it also covers aspects related to the protection of consumers in the financial sector, complementing the specific provisions for the financial services.

Data Privacy and Protection

The protection of personal data is mainly regulated by the Federal Law on Protection of Personal Data Held by Private Parties (LFPDPPP) and its Regulations, which establishes the principles and obligations with which individuals and/or entities acting as data controllers or processors must comply. The LFPDPPP is based on principles such as lawfulness, consent, information, quality, purpose, loyalty, proportionality, and responsibility. It also guarantees data subjects' ARCO rights (Access, Rectification, Cancellation, and Opposition) and provides mechanisms for their enforcement. In case of non-compliance, the LFPDPPP imposes significant financial penalties, depending on the severity of the violation and the type of data affected.

In the public sector, personal data protection is regulated by the General Law on Protection of Personal Data Held by Obligated Subjects (LGPDPSO), which applies to government entities. In specific industries, such as finance and telecommunications, additional regulations set specific requirements for data processing and security. For instance, in the financial sector, institutions must comply with guidelines issued by the CNBV, which establishes obligations for safeguarding client information and ensuring confidentiality in banking operations. Mexican legislation also includes provisions on international data transfers, requiring data controllers to implement appropriate security measures. In the digital context, although there is no specific law dedicated to online data protection, the Federal Consumer Protection Law and the E-Commerce Law contain provisions on privacy and the processing of information on digital platforms.

Financial Secrecy

Sofipos are also required to adhere to strict confidentiality protocols concerning client information under the Law of Popular Savings and Credit, the Federal Law on the Protection of Personal Data Held by Private Parties and the secondary regulations issued by the CNBV. The obligation to maintain the confidentiality of deposits and other transactions is a fundamental aspect of the financial system. Disclosure of such information is permitted only under specific circumstances, such as with the explicit consent of the client or upon request by competent authorities.

Cybersecurity

Banxico and CNBV have implemented measures to enhance cybersecurity within the financial sector. In November 2017, the National Cybersecurity Strategy was established, followed by coordination agreements in May 2018 to reinforce information security across financial entities. Additionally, in June 2018, principles were set to strengthen information security in the financial system, which financial entities must follow to elevate their information security levels. Such measures include developing and implementing a mandatory information security internal control system directed to ensure the confidentiality, integrity and availability of information through the assessment of the adequacy and sufficiency of proprietary and third-party infrastructure, implementation of logical and physical segregation of networks, testings, periodic vulnerability and penetration tests, mandating the appointment of a chief information security officer, and requiring reaction plans for security incidents.

Environmental Accountability

Mexico's Constitution mandates that any individual or entity causing environmental harm is subject to administrative and criminal sanctions and is obligated to repair the damages. The National Environmental Policy outlines the framework for environmental protection, and financial institutions, including Sofipos, may be considered indirect contributors to environmental harm. Consequently, they can be held accountable across administrative, civil, and criminal domains. Civil liability entails strict and joint responsibility, obligating all involved parties to address the environmental degradation caused. Criminal liability is applicable when intentional or negligent actions result in environmental harm.

Virtual Assets and Virtual Assets Service Providers

Mexico lacks a comprehensive framework regarding Virtual Assets.

Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs) are primarily governed by the Law to Regulate Financial Technology Institutions, commonly known as the Fintech Law, enacted in March 2018. This legislation establishes the legal framework for entities engaging in activities involving virtual assets, aiming to promote financial innovation while ensuring consumer protection and financial stability.

The Fintech Law defines a virtual asset as a representation of value electronically registered and utilized among the public as a means of payment for all types of legal acts, and whose transfer can only be carried out through electronic means. Entities that offer services related to the use, exchange, and custody of these virtual assets are considered VASPs.

Financial institutions, such as banks and fintech companies, are required to obtain authorization from Banxico to operate with virtual assets. Banxico has issued Circular 4/2019, which outlines the authorization process of virtual assets that financial institutions may handle and sets forth the terms, conditions, and restrictions applicable to their operations. These measures are designed to mitigate risks associated with money laundering and terrorist financing. To date, Banxico has not authorized any specific virtual asset.

With respect to commercial companies and individuals, VAs are regulated by the Federal Law for the Identification and Prevention of Transactions with Assets with Illicit Origin.

Recent Developments in Mexico

Revolving Credit (Crédito Rotativo) Regulations

Condusef has implemented a universal format for credit card statements in Mexico, effective as of October 1, 2024. This measure aims to enhance transparency, facilitate consumer understanding, and improve financial decision-making. This new format which includes a standardized structure, detailed payment information, payment scenarios, transaction summary, cost indicators, payment distribution details and dispute information, empowers consumers to manage their finances more effectively, offering clearer insights into credit card usage and costs. Condusef provides a user guide to help consumers understand and utilize the new statement format.

Reference Interest Rates

On April 13, 2023, following the global trend of transitioning from rates such as LIBOR to overnight rates, Banxico issued Circulars 3/2023 and 4/2023, establishing reforms to the regulations applicable to banks and other financial entities. These circulars set the deadlines after which the use of the traditional Equilibrium Interbank Interest Rate (TIIE) for terms longer than one business day as a reference in new contracts would be replaced by the new Funding TIIE (TIIE de Fondeo), an overnight rate. As of January 1, 2025, financial institutions are required to use the Funding TIIE as the reference rate for new contracts, replacing the 28-day TIIE on the legacy ones.

Colombia

Our Regulatory Position

Regulatory Framework for Colombian Financial Institutions

The Colombian financial system is composed of various types of financial institutions, which are primarily categorized into credit establishments, financial services entities, and other financial institutions. These entities are regulated and supervised by the Superintendency of Finance (Superintendencia Financiera de Colombia, “SFC”), which ensures the stability, safety, and confidence in the financial system.

Principal Laws, Decrees and Regulations

The regulatory framework for financial institutions in Colombia is primarily governed by the Estatuto Orgánico del Sistema Financiero (Decree 663 of 1993), which establishes the operational, prudential, and supervisory requirements for financial entities. This decree is complemented by several other laws and decrees, including:

- Law 964 of 2005: Known as the Securities Market Law, it established norms for the management, utilization, and investment of resources captured from the public through securities.
- Law 1328 of 2009: This law introduced financial consumer protection regulations, including rights and obligations, the Financial Consumer Attention System (SAC), and the provision of information to consumers.
- Decree 2555 of 2010: This decree consolidates financial regulations related to credit operations, portfolio management, investment services, and risk management, establishing the core regulatory framework for financial institutions.
- External Circulars 029 of 2014 (Circular Básica Jurídica, “CBJ”) and 100 of 1995 (Circular Básica Contable y Financiera, “CBCF”): Compile the rules and regulations issued by the SFC that apply to financial institutions and other entities under its supervision.

Main supervision, inspection and surveillance entities

The Colombian Constitution assigns the responsibility for the inspection, surveillance and control of the financial entities to the President of the Republic (numeral 26, Article 189, Colombian Constitution). The Constitution also assigns to the President the responsibility to regulate through the issuance of decrees, resolutions and orders needed to comply with the laws (numeral 11, Article 189, Colombian Constitution).

The Presidential responsibility for the inspection, surveillance and control of financial entities exercised through the SFC, which is the sole supervisor of the financial sector in Colombia (article 11.2.1.3.1 of the Presidential Decree 2555 of 2010). The SFC is a technical body under the Ministry of Finance, with legal representation, administrative and financial autonomy. The SFC supervises the financial system to preserve its stability, safety and confidence, as well as organizing and developing the Colombian capital markets and protecting investors, depositors and insurance policy holders

Key Interest Rates

Article 884 of the Colombian Commercial Code provides for a limit on the amount of interest that may be charged in commercial transactions. The limit is 1.5 times the current banking interest rate ("interés bancario corriente" or "IBC"), certified and calculated by the SFC as the weighted average rate of interest ordinarily charged by banks for loans made during a specified period. The certification process is carried out for the following credit portfolios: consumer and ordinary; low loan amounts; and microcredit (which is divided into five different loan modalities).

In 2024, the SFC continued to refine its methodology for calculating the IBC, further enhancing the accuracy and representativeness of the certified rates. The changes included a more granular approach to data collection and analysis, ensuring that the certified rates reflect the actual market conditions more closely. As a result, the certified IBC rates for 2024 were as follows: (i) 24.88% for consumer and ordinary loans, (ii) 37.50% for low loan amounts, and (iii) an average of 30.00% for the five microcredit categories.

Looking ahead to 2025, the SFC has announced additional adjustments to the certification process, aimed at increasing transparency and reducing the potential for market distortions. These adjustments include the separation of consumer and ordinary loans into distinct categories for certification purposes, which is expected to provide a clearer picture of the interest rate environment for each type of loan. The preliminary certified IBC rates for January 2025 are: (i) 24.88% for consumer loans, (ii) 25.22% for ordinary loans, (iii) 37.50% for low amount loans, and (iv) an average of 32.00% for the five microcredit categories.

Capital Adequacy Requirements

Capital adequacy requirements for Colombian financial institutions are based on most of the Basel III standards, as set forth in Decree 2555 of 2010. The regulation provides for a gradual implementation plan beginning in 2021 and ending in 2024 for requirements regarding solvency ratios and capital buffers. The minimum capital adequacy ratio is set at 9% of the financial institution's total risk-weighted assets. Additionally, institutions must comply with a minimum basic solvency ratio of 4.5%, a minimum additional basic solvency ratio of 6% by 2024, a capital conservation buffer of 1.5%, and a systemically important institution buffer of 1%.

Minimum Capital Requirements

The minimum capital requirement for banks, including financing companies, is established in Article 80 of Decree 663 of 1993. For 2024, the minimum capital requirement is COP 133,321 million. Failure to meet this requirement can result in the SFC taking possession of the institution. As of the date of this annual report, Nu Colombia is in compliance with this minimum capital requirement.

Technical Capital

Technical capital is calculated as the sum of Common Equity Tier One Capital (CET1), Additional Tier One Capital (AT1), and Tier Two Capital (T2). The SFC must review and approve whether a given instrument qualifies as CET1, AT1, or T2.

Solvency Ratios

The Capital Adequacy Ratio is set at a minimum of 9% of the financial institution's total risk-weighted assets. Each entity must comply with:

- A minimum basic solvency ratio of 4.5% (CET1 after deductions divided by total risk-weighted assets and off-balance sheet items).
- A minimum additional basic solvency ratio of 4.875% starting January 1, 2021, increasing gradually to 6% by January 1, 2024.
- A capital conservation buffer of 0.375% starting January 1, 2021, increasing gradually to 1.5% by January 1, 2024.
- A systemically important institution buffer of 0.25% starting January 1, 2021, increasing gradually to 1% by January 1, 2024.
- A combined buffer equivalent to the sum of the aforementioned buffers as of January 1, 2024.

Leverage Ratio

Credit establishments must comply with a minimum leverage ratio of 3%, defined as the sum of CET1 after deductions and AT1, divided by the leverage value (sum of all net assets, net exposures in repo transactions, credit exposures in derivatives, and exposure value of all contingencies).

Additional Capital Requirements

Mandatory Investments

Colombian financial institutions, including financing companies, are required to hold minimum mandatory investments in agricultural development debt instruments (*Títulos de Desarrollo Agropecuario*, or “TDAs”) issued by Finagro, a government entity, in an amount calculated by applying a fixed percentage to the quarterly average of certain liabilities.

Foreign Currency Position Requirements

According to External Resolution 1 of 2018, a financial institution's foreign currency position is the difference between its foreign currency-denominated assets and liabilities. There are specific limits on these positions relative to the institution's technical capital.

Reserve Requirements

Credit institutions must satisfy reserve requirements with respect to deposits and other cash demands, held by the Central Bank in the form of cash deposits. The reserve requirements vary depending on the class of deposits. According to External Resolution 5 of 2008, as amended by External Resolution 9 of 2016 and External Resolution 20 of 2020, the reserve requirements for Colombian banks are measured bi-weekly and the amounts depend on the class of deposits.

Reserve requirements for credit institutions presented a range between 0% and 8.0%. Credit institutions have to maintain reserves of 8.0% for checking accounts and savings deposits, reserves of 3.5% for time deposits with a maturity of less than 540 days, and no reserves for time deposits with a maturity equal or greater than 540 days.

Large Exposures and Concentration Limits

The Decrees 1533 of 2022 and 1358 of 2024 introduce significant regulatory changes for credit establishments in Colombia, focusing on risk management and transactions with linked parties. Decree 1533 of 2022, issued by the President of the Republic of Colombia, modifies Decree 2555 of 2010 to establish new regulations for the identification and management of large exposures and risk concentration in credit institutions. This decree aims to mitigate potential losses in case of counterparty defaults by setting limits on credit exposures to individual counterparties and connected groups. Specifically, it requires that exposures with a single counterparty or a connected group of counterparties do not exceed 25% of the institution's base capital, and it sets a limit of 20% for exposures to shareholders or associates with a direct or indirect investment equal to or greater than 20% of the institution's base capital. Additionally, credit establishments must report significant exposures to the SFC and maintain effective policies for risk management.

Decree 1358 of 2024 further refines the criteria for determining linked parties and establishes mechanisms for monitoring and managing transactions with these parties to prevent conflicts of interest. It extends the transition period for compliance with these new regulations, allowing certain entities up to 60 months to adapt. These changes aim to enhance the financial stability and governance of credit establishments, ensuring transparency and accountability in their operations. By mandating the identification, monitoring, and management of large exposures and risk concentration, these decrees collectively contribute to a more robust regulatory framework that safeguards the interests of credit institutions and their stakeholders.

Corporate Governance and Shareholding Composition Requirements

Board of Directors

Financial institutions must have a board of directors that meets specific criteria for independence, expertise, and integrity. The SFC reviews the suitability of board members, ensuring they possess the necessary qualifications and experience. The board is responsible for overseeing the institution's strategic direction, risk management, and compliance with regulatory requirements.

Shareholding Composition

Credit Institutions are organized stock companies ("sociedad anónima") and must have a minimum of five shareholders at all times. No single shareholder may own 95% or more of the Bank's subscribed capital stock. Transactions resulting in an individual or entity holding 10% or more of the outstanding shares of any Colombian financial institution are subject to prior authorization by the SFC.

Risk Management Systems

The External Circular 018 of 2021 issued by the SFC establishes the "Sistema Integral de Administración de Riesgos" (the “SIAR”) and the "Sistema de Administración de Riesgos de las Entidades Exceptuadas del SIAR" (the “SARE”) to enhance risk management practices in financial entities. The SIAR is a comprehensive risk management framework mandated by the SFC, requiring financial entities, including financing companies, to design, implement, and maintain a system that integrates policies, strategies, procedures, methodologies, controls, and limits to manage risks effectively. This system integrates the management of various risks including credit, market, operational, liquidity, counterparty, guarantee, insurance, and country risks, aligning with international standards.

The SIAR mandates the establishment of a risk appetite framework and the identification, measurement, control, monitoring, and timely reporting of risks. The governance structure includes the Board of Directors, legal representatives, risk management functions, risk committees, internal audit, and fiscal reviewers. Additionally, the SIAR emphasizes the importance of a robust internal and external information system, regular documentation, and annual reviews to ensure the system's adequacy and alignment with the entity's risk profile, business plan, and regulatory requirements. This comprehensive approach ensures that financial entities are well-equipped to manage a wide array of risks, thereby enhancing their overall stability and resilience.

Internal Control System Framework

The internal control system requirements for financial entities supervised in Colombia are designed to ensure transparency, accountability, and the effective management of risks. These requirements are established by various regulatory bodies, including the SFC, the Colombian Central Bank, and other governmental entities. The framework is based on international best practices and aims to promote robust corporate governance structures.

Data Privacy and Protection

In Colombia, financial institutions must comply with several regulatory laws on behalf of Data protection, including Law 1581 of 2012 (General Data Protection Law), Law 1266 of 2008 (Statutory Law on Credit Information), and Decree 1377 of 2013. These regulations aim to enhance financial inclusion, consumer protection, and innovation. The regulatory environment is advancing towards possibly implementing open finance and digital asset regulations, along with new rules on large exposures and related-party transactions to improve risk management.

Non-compliance with data protection laws can result in significant penalties from the Superintendence of Industry and Commerce (SIC), including fines up to \$500,000 per infringement. Violations, such as processing data without proper consent, can lead to mandated policy changes, cessation of data processing activities, and reputational damage.

Cybersecurity Rules

The cybersecurity framework for financial institutions in Colombia is designed to enhance cyber risk management and promote the adoption of best practices. The regulatory framework is primarily established through External Circular 007 of 2018, modified by External Circular 033 of 2020, issued by the SFC. These regulations provide a comprehensive set of requirements aimed at ensuring the security and integrity of information systems within financial entities.

Anti-Money Laundering Provisions

The regulatory framework for Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) in Colombia, referred to as the "Sistema de Administración del Riesgo de Lavado de Activos y de la Financiación del Terrorismo" (SARLAFT), is designed to prevent and control money laundering and the financing of terrorism. This framework is governed by various laws, decrees, and circulars issued by the Colombian government and regulatory bodies, including the SFC and the Colombian Central Bank.

Financial Consumer Protection

The regulatory framework for consumer protection in the Colombian financial sector is designed to uphold the rights and responsibilities of financial consumers while imposing obligations on financial institutions to minimize disputes and enhance transparency. Key elements include Law 1328 of 2009, which establishes consumer rights such as the right to information, fair treatment, safety, choice, and privacy, and imposes obligations on financial institutions to ensure transparency, effective complaint handling, consumer education, data protection, and fair practices. The SFC oversees compliance, issuing regulations, monitoring adherence, imposing sanctions, and resolving disputes.

Recent developments include the promotion of an Immediate Payments System (SPI) to enhance secure and efficient transactions, and the introduction of regulations to improve cybersecurity and prevent money laundering. The SFC's role is crucial in enforcing these regulations, ensuring that financial institutions comply with established standards, and protecting consumers' rights. This comprehensive framework aims to ensure that financial consumers are treated fairly and have access to clear and accurate information about financial products and services.

Immediate Payments System

In 2023, Colombia initiated the development of an Immediate Payments System (SPI) to align with international standards, similar to Brazil's Pix and the United States' FedNow system. The legal framework for this new payment ecosystem is established by Resolution 6 of 2023 and Circular DSP-465 issued by the Central Bank. This framework aims to create an interbank instant payments infrastructure managed by the Central Bank, ensuring interoperability of technologies, systems, and entities through secure communication protocols and advanced encryption standards. The project is scheduled to be completed in the first quarter of 2025, following five implementation phases.

The Central Bank of Colombia identified the need for a fast, easy, and immediate payment system to reduce the high usage of cash (over 70% of transactions) and promote financial inclusion. The new infrastructure will consist of two main components: a settlement module for 24/7 money transfers, enhancing efficiency and security, and a central directory to standardize user experience across all financial entities.



The system, named “Bre-B”, will be operational from the second half of 2025, allowing users to make instant transfers between different financial entities via unique identifiers or "keys" linked to their accounts. These keys can be a national ID number, mobile number, email address, or an alphanumeric code provided by the bank. Users can register multiple keys for their accounts, facilitating easy and secure transactions without needing to share account numbers.

Bre-B is expected to revolutionize digital payments in Colombia, providing a secure, efficient, and inclusive platform for instant money transfers, available 24/7. This initiative is expected to significantly advance the country's digitalization efforts and financial inclusion.

Other Countries

We also have information technology and business support operations in Uruguay and the United States.

For more information regarding the laws and regulations applicable to our business, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Regulatory Matters and Litigation.”

C. Organizational Structure

Our group is currently composed of 40 entities, including Nu Holdings Ltd. and our 39 subsidiaries, 16 of which are incorporated in Brazil, and the remainder of which are incorporated in other countries. None of our subsidiaries is currently licensed to operate as a bank. Our significant subsidiaries and a summary of their operations are as follows:

Nu Pagamentos S.A. – Instituição de Pagamento, or “Nu Pagamentos”

Nu Pagamentos, our 100% owned indirect subsidiary organized in Brazil, is primarily engaged in the issuance and administration of credit cards and payment transfers through prepaid accounts. Nu Pagamentos is a regulated payment institution under Brazilian law and is authorized to operate in such capacity by the Central Bank of Brazil.

Nu Financeira S.A. – SCFI, or “Nu Financeira”

Nu Financeira, our 100%-owned indirect subsidiary organized in Brazil, was launched in February 2019 and offers personal loans as its main product. Nu Financeira is a regulated financial institution under Brazilian law and is authorized to operate in such capacity by the Central Bank of Brazil.

Nu Investimentos S.A. - Corretora de Títulos e Valores Mobiliários., or “Nu Investimentos”

Nu Investimentos, our 100%-owned indirect subsidiary organized in Brazil, is engaged in digital investment platform Nu Investimentos and operates as a regulated broker dealer under the oversight of the Central Bank of Brazil.



Nu México Financiera, S.A. de C.V., S.F.P., or “Nu Mexico Financiera”

Nu Financiera, our 99.9%-owned indirect subsidiary organized in Mexico, acquired in September 2021, is engaged in the issuance and administration of credit cards and payment transfers through a savings account. Nu Financiera is a regulated financial institution under Mexico law and is authorized to operate in such capacity by the CNBV.

Nu Colombia Compañía de Financiamiento , or “Nu Colombia Financiera”

Nu Colombia Financiera, our 100%-owned indirect subsidiary organized in Colombia, provides financial services while raising public funds, which allows us to reduce funding costs for credit products. Since January 2024, Nu Colombia Financiera is a regulated financial Institution under Colombian Law and is authorized to operate in such capacity by the SFC.

A simplified organizational chart showing our corporate structure is set forth below.



1. Nu subsidiaries organized in Brazil consist of Internet – Fundo de Investimento em Participações Multiestratégia, Nu Pagamentos S.A. – Instituição de Pagamento, Nu Asset Management Ltda., NuPay for Business Instituição de Pagamento Ltda., Nu Brasil Tecnologia Ltda., Nu Brasil Serviços Ltda., Nu Crypto Ltda., NuCommerce Ltda., Nu Canais Ltda., Nu Financeira S.A. – Sociedade de Crédito, Financiamento e Investimento, Nu Investimentos S.A. - Corretora de Títulos e Valores Mobiliários, Vérios Gestão de Recursos Ltda., Nu Corretora de Seguros Ltda., Instituto Nu, Olivia AI do Brasil Participações Ltda, Olivia AI do Brasil – Instituição de Pagamento Ltda.
2. Nu subsidiaries organized in Colombia consist of Nu Global Colombia S.A.S and Nu Colombia Compañía de Financiamiento S.A.
3. Nu subsidiaries organized in Mexico consist of Nu BN México, S.A. de C.V., Nu BN Servicios México, S.A. de C.V., Nu BN Tecnologia, S.A. de C.V and Nu México Financiera, S.A. de C.V., SOFIPO.



- 4. Nu subsidiaries organized in Uruguay consist of Nu Tecnologia S.A., Nu Plat, S.A. and Nu Uruguay Investments S.A.
- 5. Nu subsidiaries organized in the United States consist of Nu 1-B LLC, Nu 2-B LLC, Nu 3-B LLC, Nu 1-A LLC, Nu 2-A LLC, Nu 3-A LLC, Nu USA LLC, Nu MX LLC, Nu North America, Inc, and Olivia AI Inc.

For more details about our organization structure please refer to “Item 4. Information on the Company—A. History and Development of the Company,” “Exhibit 8.1 – List of Subsidiaries” to this annual report on form 20-F and Note 3—Basis of Consolidation” to our consolidated financial statements.

D. Property, Plants and Equipment

Intellectual Property

We rely on a combination of trademark, domain names and trade secret laws, as well as employee and third-party nondisclosure, confidentiality and other types of contractual arrangements to establish, maintain and enforce our intellectual property rights, including with respect to our proprietary rights related to our products and services. In addition, we license technology from third parties.

As of December 31, 2024, we did not own any Brazil-issued patents or copyrights. However, we filed a patent application on May 10, 2021 for the ultraviolet card feature before the United States Patent and Trademark Office (“USPTO”) and the Patent Cooperation Treaty system, which was granted by the USPTO on January 25, 2022. Moreover, on May 11, 2022, we filed a patent application for NuTap, a feature that allows the merchant to receive the payment from their phone instead of using a bank card machine, before the USPTO, which is still analyzing our request. Also, we own a number of trademarks in Brazil, Mexico, Colombia, United States and several other countries including Nu, NUBANK and its variations, and other valuable trademarks and logos covering various brands, products and services, including credit card, account, insurance and other services provided by Nu. In October 2024, Nubank received the “highly-renowned” brand status in Brazil from INPI, Brazil's local authority in Industrial Property. This means the brand NUBANK now has a broader protection and exclusivity across all classes and market segments. This status is also recognized by the World Intellectual Property Organization (WIPO) which favors highly-renowned brands in intellectual property disputes and expansion. We also own a number of domain names registered in Brazil, including “nubank.com.br” and “nu.com.br”, and abroad such as “nu.com.mx” and “nu.com.co”.

On May 14, 2024, the USPTO granted our registration for the trademark “Nu” in the United States. On March 23, 2021, the USPTO also granted our registration for the trademark “NUBANK” in class 36 (financial services), on February 13, 2024, the USPTO granted our registration for the trademark “NUBANK” also in classes 09 (Computer software applications enabling banking customers to access online banking systems) and 35 (Commercial information and advice for consumers; Billing services in the field of credit and financial services products), and on February 6, 2024, the USPTO granted our registration for the trademark "NUBANK" in class 42 (Providing online, non-downloadable computer software applications enabling banking customers to access online banking systems), all in the United States.

Moreover, as of the date of this annual report, we own the “Datomic” software, which was developed internally by Nu North America. “Datomic” is a database management operating system for domain-specific transactional data, which was also developed using Java and Clojure programming languages, which are open-source. We use “Datomic” for various purposes that range from storing registration data to storing metadata. We also own the software for the “App Nubank” mobile application, which is used by our customers to access our services, and was developed internally by us.



Properties

Our main operational headquarters are located in the city of São Paulo, state of São Paulo, Brazil, which includes the majority of our product development, sales, marketing, and business operations. Our principal executive offices consist of approximately 111,912 square feet of space under a lease that expires in September 2028. We also have leased offices in several other locations, including in Mexico, Colombia, Uruguay and the United States, and believe our facilities are sufficient for our current needs. The table below sets forth additional information regarding our offices in each country as of December 31, 2024:

Name of the Office	Location	Type	Ownership	Size (in sq. feet)
HQ1	São Paulo, Brazil	Office	Leased	111,912
HQ2	São Paulo, Brazil	Office	Leased	58,364
Spark, Vila Leopoldina	São Paulo, Brazil	Office	Leased	99,868
Mexico – SPEI 2 Coworking	Querétaro, Mexico	Office	Leased	108
Mexico – Work Polanco	CDMX, Mexico	Office	Leased	95,917
Spaces 80 Coworking	Bogota, Colombia	Office	Leased	10,780
Nu North America	Durham, USA	Office	Leased	4,650
Nu Tecnología Nu Uruguay Investments S.A.	Montevideu, UR	Office	Leased	886
Total				382,485

As of December 31, 2024, we had a services agreement with a data center service provider for the provision of data services to us from its data centers in São Paulo, Brazil, and different locations in the United States. We believe that our facilities are suitable and adequate for our business as presently conducted, however, we periodically review our facility requirements and may acquire new space to meet the needs of our business or consolidate and dispose of facilities that are no longer required.

Item 4A. Unresolved staff comments

Not applicable.

Item 3. Key Information

A. [Reserved.]

B. Capitalization and Indebtedness

Not applicable.

C. *Reasons for the Offer and Use of Proceeds*

Not applicable.

D. *Risk Factors*

Risk Factors Summary

Investing in our Class A ordinary shares involves risks. You should carefully consider the risks described below before making a decision to invest in our Class A ordinary shares. If any of these risks actually materialize, our business, financial condition or results of operations would likely be materially adversely affected. In such a case, the trading price of our Class A ordinary shares would likely decline, and you could lose all or part of your investment. The following is a summary of some of the principal risks we face:

Risks Relating to Our Business and Industry

- Our business depends on a well-regarded and widely known brand, and any failure to maintain, protect and enhance our brand and image, including through effective marketing strategies, would harm our business, financial condition and results of operations.
- Failure to successfully implement and improve our risk management policies, procedures and methods, including our credit risk management system, would materially and adversely affect our business, results of operations and financial condition.
- Our international expansion efforts may not be successful, or may subject our business to increased risks.
- Our business is highly dependent on the proper functioning of information technology systems, particularly at scale. Any failure of these systems would disrupt our business and impair our ability to provide our services and products effectively to our customers.
- We depend on data centers operated by third parties and third-party Internet-hosting providers and cloud computing platforms, and any disruption in the operation of these facilities or platforms or access to the Internet would adversely affect our business.

Risks Relating to Regulatory Matters and Litigation

- We are subject to extensive regulation and regulatory and governmental oversight as a digital financial services platform and as a payment institution. Compliance with or violation of present or future regulations could be costly, expose us to substantial liability and force us to change our business practices, any of which could harm our business and results of operations.
- Certain ongoing legislative and regulatory initiatives under discussion by the Brazilian Congress, the Central Bank of Brazil, the Ministry of Finance, and the broader payments industry may result in changes to the regulatory framework of the Brazilian payments and financial industries and may have an adverse effect on us.

- We are subject to costs and risks associated with enhanced or changing laws and regulations affecting our business, including those relating to data privacy, security and protection. Developments in laws and regulations could harm our business, financial condition or results of operations.
- Changes in tax laws, incentives, benefits and regulations may adversely affect our financial condition and results of operations.

Risks Relating to the Countries in Which We Operate

- Exchange rate and interest rate instability may have a material adverse effect on the economies of the countries in which we operate and the price of our Class A ordinary shares.
- Disruption or volatility in global financial and credit markets could adversely affect the financial and economic environment in the countries in which we operate, most notably Brazil, Colombia and Mexico, which could have a material adverse effect on us.
- Governments have exercised, and continue to exercise, significant influence over the Brazilian economy and the other economies in which we operate. This influence, as well as political and economic conditions in Brazil and the other countries in which we operate, could harm us and the price of our Class A ordinary shares.

Risks Relating to Our Class A Ordinary Shares

- An active trading market for our Class A ordinary shares may not be sustainable. If an active trading market is not maintained, you may not be able to sell your shares and you could lose a significant part of your investment.
- Our founding shareholder and CEO David Vélez owns 88.6% of our outstanding Class B ordinary shares, which represents approximately 75.2% of the voting power of our issued share capital. This concentration of ownership and voting power may limit your ability to influence corporate matters.
- We have granted the holders of our Class B ordinary shares preemptive rights to acquire shares that we may sell in the future, which may impair our ability to raise funds.

Risks Relating to Intellectual Property, Privacy and Cybersecurity

- Unauthorized disclosure of sensitive or confidential customer information or our failure or the perception by our customers that we failed to comply with privacy laws or properly address privacy concerns could harm our business and standing with our customers.

- Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation.
- Claims by others that we infringe their proprietary technology or other rights could have a material and adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Business and Industry

Our business depends on a well-regarded and widely known brand, and any failure to maintain, protect and enhance our brand and image, including through effective marketing strategies, would harm our business, financial condition and results of operations.

We believe our brand has contributed significantly to the historical success of our business. Maintaining, protecting and enhancing our brand is critical to expanding our customer base, our loan portfolio and our third-party partnerships, as well as increasing engagement with our products and services. Our success in this regard will depend largely on our ability to remain – or, in markets into which we expand, become – widely known, gain and maintain our customers’ trust, be a technology leader and provide reliable, high-quality and secure products and services that continue to meet the needs of our customers at competitive prices, as well as the effectiveness of our marketing efforts and our ability to differentiate our services and platform capabilities from competitors’ products and services.

We believe that maintaining and promoting our brand in a cost-effective manner is critical to achieving widespread acceptance of our products and services and to expand our customer base. Maintaining and promoting our brand will depend largely on our ability to continue to provide useful, reliable and innovative products and services, which we may not do successfully. Our brand promotion activities may not generate customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in promoting our brand. If we fail to successfully promote and maintain our brand including due to, but not limited to, changes in the current regulatory framework that may prevent it from being used as it is currently used by us (see “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Public Consultation regarding Naming Regulations for Authorized Institutions in Brazil.”) or if we incur excessive expenses in this effort, we would lose significant market share and our business would be materially and adversely affected. Further, our success in the introduction and promotion of new products and services, as well as the promotion of existing products and services, may be partly dependent on our visibility on third-party advertising platforms. Changes in the way these platforms operate or changes in their advertising prices or other terms could make the introduction and promotion of our products and services and our brand more expensive or more difficult. If we are unable to market and promote our brand on third-party platforms effectively, our ability to acquire new customers would be materially harmed, which would adversely affect our business, financial condition and results of operations.

Failure to successfully implement and improve our risk management policies, procedures and methods, including our credit risk management system, would materially and adversely affect our business, results of operations and financial condition.

The management of risk is an integral part of our activities. We seek to monitor and manage our risk exposure through a variety of separate but complementary financial, credit, market, operational, compliance and legal policies, procedures and reporting systems, among others. We employ a broad and diversified set of risk monitoring and risk mitigation techniques, which may not be fully effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we may fail to identify or anticipate.

We use certain tools and metrics for managing market risk, including statistical models, which are based upon our use of observed historical market behavior. We apply statistical and other tools to these observations to quantify our market risk. However, in part because these tools and metrics are based on historical market behavior, and in part because the models do not take all market risks into account, they may fail to predict future market risks, including those that arise from factors we did not anticipate or correctly evaluate in our statistical models. This would limit our ability to effectively manage our market risk, which could result in our losses being significantly greater than predicted.

Because certain of our operating subsidiaries are financial or payments institutions, our business is also subject to inherent credit risk. An important feature of our credit risk management system is an internal credit score system that assesses the particular risk profile of a customer. As this process involves detailed analysis of a customer that takes into account both quantitative and qualitative factors, it is subject to error, and our internal risk models may not always be able to accurately predict the future credit risk of our customers or assign an accurate credit score, which may result in our exposure to higher credit risks than indicated by our risk management system. We also rely on certain publicly available customer credit information, information relating to credit agreements and other public sources to assess a customer’s creditworthiness. Due to limitations in the availability of information and the underdeveloped information infrastructure in the markets in which we operate, our assessment of credit risk associated with a particular customer may not be based on complete, accurate or reliable information. In addition, we cannot ensure that our credit scoring systems collect complete or accurate information reflecting the actual behavior of customers or that their credit risk can be assessed correctly. Without complete, accurate and reliable information, we have to rely on other publicly available resources and our internal resources, which may not be effective. As a result, our ability to effectively manage our credit risk and subsequently determine our credit loss allowances may be materially adversely affected.

Relatedly, we are exposed to counterparty risk, which may arise from, for example, investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to us or executing securities, futures or currency trades from proprietary trading activities that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, clearing houses or other financial intermediaries. Many of the routine transactions we enter into expose us to significant risk in the event of default by one of our significant counterparties, although we do not currently face specific counterparty risk from concentration within our loan portfolio. If these risks give rise to losses, this could materially and adversely affect us. Separately, because we routinely transact with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutional customers, defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry could lead to market-wide liquidity problems that could lead to substantial losses for our business.

We also face operational and foreign exchange risk. Although we have adopted policies and procedures to identify, monitor and manage our operational risk, these policies and procedures may not be fully effective. For a discussion of the risks we face with respect to foreign exchange rates, see “—Risks Relating to the Countries in Which We Operate—Exchange rate and interest rate instability may have a material adverse effect on the economies of the countries in which we operate and the price of our Class A ordinary shares.”

If our policies and procedures are not fully effective or we are not successful in capturing all risks to which we are or may be exposed, we may suffer harm to our reputation or be subject to litigation or regulatory actions that could have a material adverse effect on our business, results of operations or financial condition. Further, if management were to rely on risk models – whether with respect to market, credit or operational risks – that were flawed or poorly developed, implemented or used, or if management were to misunderstand or use such information for purposes for which it was not designed, we may fail to adequately manage our risk. In addition, if existing or potential customers or counterparties believe our risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with us. Further, certain of the models and other analytical and judgment-based estimations we use in managing risk are subject to review by, and require the approval of, our regulators. If our models do not comply with their expectations, our regulators may require us to make changes to such models, may approve them with additional capital requirements or we may be precluded from using them, any of which could limit our ability to operate our businesses.

Failure to effectively implement, consistently monitor or continuously refine our risk management systems may result in a material adverse effect on our reputation, operating results and financial condition.

Our international expansion efforts may not be successful, or may subject our business to increased risks.

We currently operate in Brazil, Mexico and Colombia, and we have information technology and support operations in the United States and Uruguay. As part of our growth strategy, we may expand our operations by offering our products and services in additional regions, as well as additional countries in Latin America, where we have little or no experience, and by expanding our business in the jurisdictions in which we currently operate. We may not be successful in expanding our operations into these or other markets in a cost-effective or timely manner, if at all, and our products and services may not experience the same market adoption in such international jurisdictions as we have enjoyed in Brazil. In particular, the expansion of our business into new geographies (or the further expansion in geographies in which we currently operate) may depend on the local regulatory environment or require a close commercial relationship with one or more local banks or other intermediaries, which could prevent, delay or limit the introductions of our products and services in such countries. Local regulatory environments may vary widely in terms of scope and sophistication.

In October 2023, we applied for a banking license in Mexico, and we believe we are in the final stages to receive approval by the CNBV. Despite our best efforts to obtain such license, the delay or even the failure to obtain it may significantly impact our expansion plans and may require us to reassess our strategies in Mexico. For further information on such license, see “Item 4. Information on the Company—B. Business Overview—Mexico.”

Further, our international expansion efforts have and will continue to place a significant strain on our personnel (including management), technical, operational and financial resources, and our current resources may not be adequate to support our planned geographical expansion. We also may not be able to recoup our investments in new geographies in a timely manner, if at all. If our expansion efforts are unsuccessful, including because potential customers in a given jurisdiction fail to adopt our products and services, our reputation and brand may be harmed, and our ability to grow our business and revenue may be adversely affected.

Even if our international expansion efforts are successful, international operations will subject our business to increased risks, including:

- increased licensing, regulatory and supervision requirements;
- competition from service providers or other entrenched market participants that have greater experience in the local markets than we do;
- increased costs associated with and difficulty in obtaining, maintaining, processing, transmitting, storing, handling and protecting intellectual property, proprietary rights and sensitive data;
- changes to the way we do business as compared with our current operations;
- a lack of acceptance of our products and services;
- the ability to support and integrate with local third-party service providers;
- difficulties in staffing and managing foreign operations in an environment of diverse culture, language, laws and customs;
- difficulties in recruiting and retaining qualified employees and maintaining our company culture;
- increased travel, infrastructure and legal and compliance costs;
- compliance obligations under multiple, potentially conflicting and changing, legal and regulatory regimes, including those governing financial institutions, payments, data privacy, data protection, information security, anti-corruption, anti-bribery and anti-money laundering;
- compliance with complex and potentially conflicting and changing tax regimes;
- potential tariffs, sanctions, fines or other trade restrictions;
- exchange rate exposure;
- increased exposure to public health issues such as pandemics, and related industry and governmental actions to address these issues; and
- regional economic and political instability, such as the ongoing war between Russia and the Ukraine and the conflict in the Middle East.

As a result of these risks, our international expansion efforts may not be successful or may be hampered, which would limit our ability to grow our business.

Our business is highly dependent on the proper functioning of information technology systems, particularly at scale. Any failure of these systems would disrupt our business and impair our ability to provide our services and products effectively to our customers.

Our continued growth depends in part on the ability of our existing and potential customers to access our products and platform capabilities at any time and within an acceptable amount of time. Continued access to our products and platform capabilities depends on the efficient and uninterrupted operation of numerous systems, including our computer systems, software, data centers and telecommunications networks, as well as the systems of third parties, such as credit and prepaid card transaction authorization providers, national financial system network infrastructure providers, back office and business process support, information technology production and support, Internet and telephone connections, network access, data center infrastructure services and cloud storage and computing. However, these systems and technologies are vulnerable to disruptions, failures or slowdowns. We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of customers accessing our products and platform capabilities simultaneously, denial of service attacks or other security-related incidents, natural disasters, power outages, terrorist attacks, hostilities, and other events beyond our control.

As our business grows, it may become increasingly difficult to maintain and improve the performance of our information technology systems, especially during peak usage times and as our products and platform capabilities become more complex and our customer traffic increases. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations may be adversely affected. Specifically, if our products and platform capabilities are unavailable or if our customers are unable to access our products and platform capabilities within a reasonable amount of time, we may experience a loss of customers, lost or delayed market acceptance of our platform and products, delays in payment to us by customers, injury to our reputation and brand, the diversion of our resources, additional operating and development costs, loss of revenue, legal claims against us, the loss of licenses, loss of regulators' authorizations or fines or other penalties imposed by regulators (including intervention, temporary special management systems, the imposition of insolvency proceedings or the out-of-court liquidation of our operating subsidiaries), or data protection authorities (such as *Autoridade Nacional de Proteção de Dados*, or the “ANPD”). In addition, we do not maintain insurance policies specifically for property and business interruptions, meaning we would directly and without setoff incur any losses we suffer as a result of the aforementioned occurrences. For further information, see “—Our insurance policies may not be sufficient to cover all claims.”

Our business is highly dependent on the ability of our information technology systems to accurately process a large number of highly complex transactions across numerous and diverse markets and products in a timely manner and at high processing speeds, and on our ability to rely on our digital technologies, computer services, software and networks, as well as on the secure processing, storage and transmission of confidential data and other information on our computer systems and networks. Specifically, the proper functioning of our financial control, risk management, accounting, customer service and other data processing systems is critical to our business and our ability to compete effectively. Any failure to deliver an effective and secure service, or any performance issue that arises with a service, could result in significant processing or reporting errors or other losses. See “—We depend on data centers operated by third parties and third-party internet-hosting providers and cloud computing platforms, and any disruption in the operation of these facilities or platforms or access to the Internet would adversely affect our business.”

We do not operate all of our systems on a real-time basis and cannot assure that our business activities would not be materially disrupted if there were a partial or complete failure of any of these primary information technology systems or communication networks. In particular, because all customer transactions on Nu's Platforms occur on our mobile application, any failure of our mobile application would cause our platform and services to be unavailable to our customers. Such failures could be caused by, among other things, major natural catastrophes, software bugs, computer virus attacks, conversion errors due to system upgrading, security breaches caused by unauthorized access to information or systems or malfunctions, loss or corruption of data, software, hardware or other computer equipment. Any such failures would disrupt our business and impair our ability to provide our services and products effectively to our customers, which could adversely affect our reputation as well as our business, results of operations and financial condition.

Our ability to remain competitive and achieve further growth will depend in part on our ability to upgrade our information technology systems and increase our capacity on a timely and cost-effective basis. We must continually make significant investments and improvements in our information technology infrastructure in order to remain competitive. We cannot guarantee that in the future we will be able to maintain the level of capital expenditures necessary to support the improvement or upgrading of our information technology systems. Any substantial failure to improve or upgrade our information technology systems effectively or on a timely basis would materially and adversely affect our business, financial condition or results of operations.

We depend on data centers operated by third parties and third-party internet-hosting providers and cloud computing platforms, and any disruption in the operation of these facilities or platforms or access to the Internet would adversely affect our business.

Our business requires the ongoing availability and uninterrupted operation of internal and external transaction processing systems and services. We primarily serve our customers from third-party data center hosting facilities provided by a third-party service provider, which we rely on to operate certain aspects of our products and services, and we depend on third-party Internet-hosting providers and third-party bandwidth providers for continuous and uninterrupted access to the Internet to operate our business. Any disruption of or interference with our use of such services would impair our ability to deliver our products and services to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers and harm to our business. Further, we have designed our products and services and computer systems to use data processing, storage capabilities and other services provided by such third-party service providers. As such, we cannot easily switch our operations to another cloud provider, so any disruption of or interference with our use of such providers' services would increase our operating costs and could materially and adversely affect our business, financial condition and results of operations, and we might not be able to secure service from an alternative provider on similar terms or at all.

While we maintain oversight of our third-party data center hosting facilities and Internet-hosting providers, such third parties are ultimately responsible for maintaining their own network security, disaster recovery and system management procedures, and such third-parties do not guarantee that our customers' access to our solutions will be uninterrupted, error-free or secure. These third-party providers may experience website disruptions, outages and other performance problems, which may be caused by a variety of factors, including infrastructure changes, human or software errors, computer viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. In particular, we do not control the operation of the third-party data center hosting facilities, and such facilities are vulnerable to damage or interruption from human error, intentional bad acts, power loss, hardware failures, telecommunications failures, improper operation, unauthorized entry, data loss, power loss, cyberattacks, fires, wars, terrorist attacks, floods, earthquakes, hurricanes, tornadoes, natural disasters or similar catastrophic events. They also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or terminate our hosting arrangement or other unanticipated problems could result in lengthy interruptions in the delivery of our solutions, cause system interruptions, prevent our customers from accessing their accounts online, reputational harm and loss of critical data, prevent us from supporting our solutions or cause us to incur additional expense in arranging for new facilities and support.

If we lose the services of one or more of our Internet-hosting or bandwidth providers for any reason or if their services are disrupted, for example due to computer viruses or denial of service or other attacks on their systems, or due to human error, intentional bad acts, power loss, hardware failures, telecommunications failures, fires, wars, terrorist attacks, floods, earthquakes, hurricanes, tornadoes or similar catastrophic events, we could experience disruption in our ability to offer our solutions and adverse perception of our solutions’ reliability, or we could be required to retain the services of replacement providers, which could increase our operating costs and materially and adversely affect our business, financial condition and results of operations.

Furthermore, prolonged interruption in the availability, or reduction in the speed or other functionality, of our products or services could materially harm our reputation and business. Frequent or persistent interruptions in our products and services could cause customers to believe that our products and services are unreliable, leading them to switch to our competitors or to avoid our products and services, and would likely permanently harm our reputation and business.

Any of the foregoing, in addition to any of the factors described in “—We are dependent on third-party service providers in our operations, any failure of a third-party service provider could disrupt our operations,” could have a material adverse effect on our business, financial condition and results of operations.

Negative publicity about us (including our directors, officers or employees) or our industry could adversely affect our business, financial condition, results of operations and future prospects.

Negative publicity about us (including our directors, officers or employees) or our industry, including the transparency, fairness, customer experience, quality and reliability of our products or services, effectiveness of our risk model, our ability to effectively manage and resolve complaints, our privacy and security practices, litigation, regulatory activity, misconduct by or statements made by our directors, officers or employees, funding sources, capital and liquidity positions, service providers or others in our industry, could adversely affect our reputation and the confidence in, and the use of, our products and services. This and any future negative publicity could harm our reputation and cause disruptions to business. Any such reputational harm could further affect the behavior of customers and, as a result, materially and adversely affect our business, results of operations, financial condition and future prospects.

The credit quality of our loan portfolio may deteriorate beyond expectations and our ECL allowance could be insufficient to cover our losses, which would have a material adverse effect on our business, financial condition and results of operations.

Risks arising from changes in credit quality and the recoverability of amounts due from counterparties are inherent in many aspects of our businesses, in particular our customer credit card and lending businesses. We expect the amount of reported non-performing loans to increase in the future on an absolute basis as a result of the expected growth in our total loan portfolio, the credit quality of which may turn out to be worse than anticipated. The amount of reported non-performing loans may also increase due to factors beyond our control, such as adverse changes in the credit quality of our borrowers and counterparties or a general deterioration in economic conditions in the markets in which we operate.

Our provisions for credit losses are based on our current assessments and expectations concerning various factors affecting the quality of our loan portfolio. These factors include, among other things, our borrowers’ financial condition, government macroeconomic policies, interest rates and the legal and regulatory environment. Although we have several controls in place to monitor provisions adequacy, as many of these factors are beyond our control and there is no infallible method for predicting loan and credit losses, we cannot guarantee that our current or future reserves for credit losses will be sufficient to cover actual losses. If our assessment of and expectations concerning the above-mentioned factors differ from actual developments, if the quality of our total loan portfolio deteriorates beyond expectations, for any reason, or if the future actual losses exceed our estimates of expected losses, we may be required to increase our provisions for credit losses, which may adversely affect our financial condition. As such, any unexpected increase in the level of our non-performing loans could have a material adverse effect on our financial condition.

The above is also applicable to our SME credit portfolio, with the difference that the exposure to individual names is much higher which poses a higher risk of having a relevant loss coming from a single company with credit problems.

We depend on key management, as well as our experienced and capable employees, and any failure to attract, motivate and retain our employees would harm our ability to maintain and grow our business.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. Our future success is significantly dependent upon the continued service of our executives and other key employees, and in particular our founding shareholder, chairman and chief executive officer David Vélez. If we lose the services of any member of management or any key employee, we may not be able to locate a suitable or qualified replacement, and we may incur additional expenses to recruit and train a replacement, which would severely disrupt our business and growth.

To maintain and grow our business, we will need to identify, attract, hire, develop, motivate and retain highly skilled employees, which requires significant time, expense and effort. Competition for highly skilled personnel is intense, in our industry in particular. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we make, fail to work together effectively and to execute our plans and strategies on a timely basis, our business would be harmed.

Furthermore, our international expansion and our business in general may be materially adversely affected if legislative or administrative changes to immigration or visa laws and regulations impair our hiring processes or projects involving personnel who are not citizens of the country where their work is to be performed. If we are not able to add and retain employees effectively, our ability to achieve our strategic objectives will be adversely affected, and our business and growth prospects will be harmed.

If we fail to manage our growth effectively, our business would be harmed.

We have experienced and expect in the near term to continue to experience rapid growth. For instance, our total revenue increased by 43.4%, reaching US\$11,517.1 million in 2024 from US\$8,029.0 million in 2023. On a FX Neutral basis, our total revenue increased by 57.6%, reaching US\$11,517.1 million in 2024 from US\$7,309.5 million in 2023. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures.” The number of our full-time employees increased by 13%, reaching 8,700 on December 31, 2024, compared to 7,700 on December 31, 2023. Nevertheless, our growth has placed and will continue to place significant demands on our administrative, operational and financial resources. Our ability to effectively manage our growth will depend on a number of factors, including our ability to:

- expand our sales and marketing, technology, finance and administration teams;
- grow our facilities and infrastructure;
- adapt and scale our information technology systems;
- refine our operational, financial and risk management controls and reporting systems and procedures;
- recruit, integrate, train and retain a growing employee base and maintain our corporate culture;
- maintain and grow our customer base and provide quality customer service; and
- obtain, maintain, protect and develop our strategic assets, including our intellectual property and other proprietary rights.

Executing on these factors will require significant capital expenditures and the allocation of valuable management and employee resources. We may be unable to effectively manage any future growth in an efficient, cost-effective or timely manner, or at all. Any failure to successfully implement systems enhancements and improvements will likely negatively impact our ability to manage our expected growth, ensure uninterrupted operation of key business systems and comply with the rules and regulations that are applicable to public reporting companies. Moreover, if we do not effectively manage the growth of our business and operations, the quality of our platform would suffer, which would negatively affect our reputation, results of operations and overall business. Furthermore, we encourage employees to quickly develop and launch new features for our products and services; as we grow, we may not be able to execute as quickly as smaller, more efficient organizations.

A decline in the use of credit or prepaid cards as a payment mechanism for consumers or adverse developments with respect to the payment processing industry in general would have a materially adverse effect on our business, financial condition and results of operations.

If consumers do not continue to use credit or prepaid cards as a payment mechanism for their transactions or if there is a change in the mix of payments between cash, credit, and prepaid cards and other means of payment, including real-time payments, that is adverse to us, it would have a material adverse effect on our business, financial condition and results of operations. We believe future growth in the use of credit, prepaid cards and other means of payment will be driven by the cost, ease-of-use and quality of services offered to consumers and businesses. In order to consistently increase and maintain our profitability, consumers and businesses must continue to use electronic payment methods including credit and prepaid cards and real-time payment methods, such as Pix. Moreover, if there is an adverse development in the payments industry or Brazilian market in general, such as new legislation or regulation that makes it more difficult for our customers to do business or utilize such payment mechanisms, our business, financial condition and results of operations may be adversely affected.

We have historically derived a substantial portion of our revenue from our credit card business, and losses or a significant reduction in our credit card business, or our failure to successfully expand and diversify our revenue sources beyond our credit card business, would adversely affect our business, financial condition and results of operations.

The commercial success of our consumer technology platform has depended and may continue to depend in part on the success of our credit card business. We have historically derived a significant portion of our revenue from (i) the interchange fees we collect when a customer uses a Nu credit card to make a purchase and (ii) the interest rates we receive from the financing or revolving of Nu credit card balance by our customers. In the year ended December 31, 2024, interchange fees and interest related to credit cards accounted for 12.0% and 33.0% of our revenue, respectively (14.8% and 31.4% in the year ended December 31, 2023). While we expect our revenue concentration to decline in the future as we expand our suite of products and services, our efforts to diversify our revenue sources, such as new products and regional diversification, may not be successful and our reliance on credit card-related revenue may increase. Further, our revenue would be significantly harmed if we were to lose all or a substantial portion of our credit card business, whether due to loss of customers, regulatory or legislative developments or otherwise. In particular, our revenue would be harmed if the interchange fees that we collect or the interest rates that we charge become capped by regulators (or, in markets in which regulatory caps already exist, if such caps were reduced). Please see “—Risks Relating to Regulatory Matters and Litigation—Certain ongoing legislative and regulatory initiatives under discussion by the Brazilian Congress, the Central Bank of Brazil, the Ministry of Finance and the broader payments industry may result in changes to the regulatory framework of the Brazilian payments and financial industries, which may have an adverse effect on our business and cause us to incur increased compliance costs.”

Further, on July 2, 2021, Brazilian Law No. 14,181, or the “Over Indebtedness Law,” created a chapter in the Brazilian Consumer Protection Code dedicated to responsible credit and financial education, with new provisions that require specific information to be provided to the consumer when granting credit or in installment sales, such as the effective monthly interest rate, interest on arrears and late payment charges. Moreover, Decree No. 11,567, which amended Decree No. 11,150 and was published and valid from June 20, 2023, established a “base minimum” (“*mínimo existencial*”) of R\$ 600.00 for the prevention, treatment and conciliation of situations of over-indebtedness in consumer debt. According to the decree, this rate corresponds to the salary value that must be preserved when indebted people negotiate payment of these debts with financial institutions.

This new set of rules and the review of the “existential minimum” value may contribute to driving customers and potential customers away from our credit portfolio, which could adversely impact our business, financial condition and results of operations. For more information, see “—A decline in the use of credit or prepaid cards as a payment mechanism for consumers or adverse developments with respect to the payment processing industry in general would have a materially adverse effect on our business, financial condition and results of operations.”

If we are unable to attract new and retain existing customers, our business, financial condition and results of operations will be adversely affected.

We believe that our customer base is the cornerstone of our business. The growth of our business depends on existing customers expanding their use of our products and services and on our ability to attract new customers, including customers who may be reluctant to seek alternatives to incumbent financial institutions, by offering new products and services. If we are unable to attract new customers to our platform or encourage customers to broaden their use of our products and services, our growth may slow or stop, and our business may be materially and adversely affected.

Our ability to maintain and expand our customer base depends on a number of factors, including our ability to provide relevant and timely products and services to meet their changing needs at a reasonable cost. We have invested and will continue to invest in improving our platform and our suite of products and services. For example, in 2021, we acquired Nu Investimentos, our broker-dealer subsidiary, and have announced plans to expand our insurance broker activities. However, if new or improved features, products and services fail to meet shifting customer demands and fail to attract new customers or encourage existing customers to expand their engagement with our products and services, our growth may slow or decline. Further, these and other new products and services must achieve high levels of market acceptance before we are able to recoup our up-front investment costs, which may never occur if such products and services fail to attract new and retain existing customers.

Our existing and new products and services, including our payments, investments, insurance and credit solutions, could fail to attract new and retain existing customers for many reasons, including:

- we may fail to predict market demand accurately and provide products and services that meet this demand in a timely fashion;
- customers may not like, find useful or agree with any changes we make to our products or services;
- the reliability, performance or functionality of our products and services could be compromised or the quality of our products and services could decline;
- we may fail to provide sufficient customer support;

- customers may dislike our pricing, in particular in comparison to the pricing of competing products and services;
- competing products and services may be introduced or anticipated to be introduced by our competitors; and
- there may be negative publicity about our products and services or our platform’s performance or effectiveness, including negative publicity on social media platforms.

Further, our customers have no obligation to continue to use our products and services, and we can make no assurances that our customers will continue to do so. We generally do not have long-term contracts with our customers; customer deposits and investments may be withdrawn without notice, and the consumer credit solutions we offer may be prepaid and canceled at any time. Further, recent changes in regulations have increasingly enabled customers to switch to our competitors more easily.

Any one or a combination of these factors could lead to customer attrition, and in particular at rates that are higher than we expect, which would adversely affect our business, financial condition and results of operations.

If we cannot keep pace with rapid technological developments to provide new and innovative products and services, the use of our products and services and, consequently, our revenue could decline or our revenue growth rate could slow.

Rapid, significant and disruptive technological changes have impacted or may in the future impact the industries in which we operate, including changes in:

- artificial intelligence and machine learning (e.g., in relation to fraud and risk assessment);
- payment technologies (e.g., real-time payments, payment card tokenization, virtual and crypto currencies, including distributed ledger and blockchain technologies, and proximity payment technology, such as near-field communication and other contactless payments);
- mobile and internet technologies (e.g., mobile phone app technology);
- commerce technologies, including for use in-store, online and via mobile, virtual, augmented or social-media channels; and
- digital banking features (e.g., balance and fraud monitoring and notifications).

In order to remain competitive and maintain and enhance customer experience and the quality of our products and services, we must continuously invest in the development of new products and features to keep pace with technological developments. We currently rely, and expect to continue to rely, in part, on certain third parties for the development of, and access to, new technologies. However, there can be no assurance that our development efforts, including through such third-party providers, will be successful, as we or such third parties may experience cost overruns, delays in delivery, performance failure or lack of customer adoption, among other potential issues. Further, there can be no assurance that our financial resources will be sufficient to maintain the levels of investment required to support such development efforts, which may require substantial capital commitment. Any failure in our development efforts, including any failure to adopt emerging technologies or to accurately predict and address market demand, and any delay in delivery of new products or services integrating emerging technologies, could render our services less desirable, or even obsolete, to our customers. Furthermore, our competitors may have the ability to devote more financial and operational resources than we can to the development of new technologies and services and, if successful, their development efforts could render our services less desirable to customers, resulting in the loss of customers or a reduction in the fees we can generate. If our development efforts prove unsuccessful, or if we are unable to develop, adapt to or access technological changes on a timely and cost-effective basis, our business, financial condition and results of operations could be materially adversely affected.

Our use and provision of solutions powered by artificial intelligence could lead to operational or reputational damage, competitive harm, legal and regulatory risk and additional costs.

We incorporate artificial intelligence (AI) into numerous aspects of our business, such as enhancing our customer service, credit analysis, and data analytics. Additionally, we apply established machine learning techniques in areas like fraud detection, anti-money laundering, sanctions screening, product personalization, and marketing. While AI holds great promise, it also presents evolving risks, challenges and uncertainties. There is no guarantee that the use of AI will consistently improve our network or help make our operations more effective, efficient, or profitable. The AI models we use might not always be correctly designed or implemented and could rely on data that is biased, incomplete, or otherwise suboptimal. Our AI technologies could face issues due to unforeseen defects, technical challenges, data breaches, cybersecurity threats, or performance-related concerns. Consequently, our use of AI might unintentionally hinder our efficiency or produce outcomes that misalign with our business goals or values or do not comply with our policies or procedures, potentially affecting our brand and reputation or negatively impacting the performance of our business. There is also a risk of facing liabilities due to non-compliance with laws or contractual obligations.

In addition, the final text of the AI Bill was approved by the Brazilian Senate in 2024 by means of the Bill of Law No. 2,338/23, which seeks to establish general national standards for the development, implementation, and responsible use of AI systems in Brazil. This bill, which is currently under discussion in the Brazilian House of Representatives and, if approved, will be submitted for presidential approval or veto, would seek to introduce potential compliance requirements, liability standards, or usage restrictions that could directly affect our operations. If approved by the Brazilian House of Representatives and thereafter enacted into law, Bill of Law No. 2,338/23 may impose additional compliance burdens, establish liability frameworks, or mandate specific transparency and accountability measures for our use of AI systems.

Additionally, if any of our employees, contractors, vendors, or service providers input our confidential information while using any third-party AI technology related to our business, it might unintentionally expose this sensitive information. This could impact our ability to adequately protect our intellectual property rights or harm our competitive position and reputation.

We have utilized and may continue to explore generative AI, a novel technology still in its early commercial stages, in specific business areas like customer service and code analysis. While promising, generative AI poses additional risks and may produce outputs that are inaccurate, incomplete, or biased and which may not be easily detectable. Our established processes and controls, which include human oversight in AI training and monitoring of generative AI tools, aim to mitigate these risks. However, any deficiencies or perceived flaws in AI-generated content could negatively impact our reputation and business, potentially leading to additional costs, including in the form of damages or fines.

The use of AI by us and others has, in some instances, led to data breaches and cybersecurity incidents impacting users' personal information. Such occurrences could damage our reputation and expose us to legal or regulatory risks, especially concerning intellectual property, privacy, and other rights.

For further information on risks related to our use of artificial intelligence, see also “—As the regulatory framework for artificial intelligence and machine learning technology evolves, our business, financial condition and results of operations may be adversely affected.”

We are dependent on third-party service providers in our operations, any failure of a third-party service provider could disrupt our operations.

We utilize numerous third-party service providers in our operations, including payments, credit card transaction processing, back office and business process support, information technology production and support, Internet connections, network access and cloud computing. For example, our credit and prepaid card transaction authorization is provided by Mastercard, our infrastructure services and connection to the National Brazilian Financial System Network, or “RSFN,” depends on the infrastructure of Market Telecommunications Network (*Rede de Telecomunicações para o Mercado Ltda.*), or “RTM,” a datacenter and link provider, our cloud data processing and storage services and, separately, our datacenter infrastructure services are both provided by third-party service providers, among other third-party service providers on which we rely for the continuity of our business. A failure by a third-party service provider could expose us to an inability to provide contractual services to our customers in a timely manner. Additionally, if a third-party service provider is unable to provide these services, we may incur significant costs to either internalize some of these services or find a suitable alternative. Significantly, certain third-party service providers, including Mastercard, are the sole source or one of a limited number of sources of the services they provide for us. It would be difficult and disruptive for us to replace some of our third-party vendors in a timely manner if they were unwilling or unable to provide us with these services in the future (as a result of their financial or business conditions or otherwise), and our business and operations likely would be materially adversely affected. Further, any failure in the performance of our due diligence processes and controls related to the supervision and oversight of these third parties in detecting and addressing conflicts of interest, fraudulent activity, data breaches and cyber-attacks, noncompliance with relevant securities and other laws could cause us to suffer financial loss, regulatory sanctions or damage to our reputation.

Inadequacy or disruption of our disaster recovery plans and procedures in the event of a catastrophe would adversely affect our operations.

We have made a significant investment in our infrastructure, and our operations are dependent on our ability to protect the continuity of our infrastructure against damage from catastrophe or natural disaster, breach of security, cyber-attack, loss of power, telecommunications failure or other natural or man-made events. A catastrophic event could have a direct negative impact on us by adversely affecting our customers, partners, third-party service providers, employees or facilities, or an indirect impact on us by adversely affecting the financial markets or the overall economy. If our business continuity and disaster recovery plans and procedures were disrupted, inadequate or unsuccessful in the event of a catastrophe, we could experience a material adverse interruption of our operations.

We serve our customers using third-party data centers and cloud services. While we have electronic access to the infrastructure and components of our platform that are hosted by third parties, we do not control the operation of these facilities. Consequently, we may be subject to service disruptions as well as failures to provide adequate support for reasons that are outside of our direct control. These data centers and cloud services are vulnerable to damage or interruption from a variety of sources, including earthquakes, floods, fires, power loss, system failures, cyber-attacks, physical or electronic break-ins, human error or interference (including by employees, former employees or contractors), and other catastrophic events. Our data centers may also be subject to local administrative actions, changes to legal or permitting requirements and litigation to stop, limit or delay operations. Despite precautions taken at these facilities, such as disaster recovery and business continuity arrangements, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in interruptions or delays in our services, impede our ability to scale our operations or have other adverse impacts upon our business. See “—We depend on data centers operated by third parties and third-party Internet-hosting providers and cloud computing platforms, and any disruption in the operation of these facilities or platforms or access to the Internet would adversely affect our business.”

Our disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud.

Disclosure controls and procedures, including internal controls over financial reporting, are designed to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the U.S. Securities Exchange Act of 1934, as amended, or the “Exchange Act,” is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

These disclosure controls and procedures have inherent limitations, which include the possibility that judgments in decision-making can be faulty and result in errors or mistakes. Additionally, controls can be circumvented by any unauthorized override of the controls. Consequently, our business is exposed to risk from potential noncompliance with policies, employee misconduct, negligence and fraud, which could result in regulatory sanctions, civil claims and serious reputational or financial harm. In particular, it is not always possible to deter employee misconduct, and the precautions we take to prevent and detect this activity may not always be effective. Accordingly, because of the inherent limitations in the control system, misstatements due to error or fraud may occur and not be detected.

In the past, we identified material weaknesses in our internal control over financial reporting. If we fail to identify and remediate other material weaknesses and maintain effective internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

We have in the past identified certain material weaknesses in our internal control over financial reporting. Our controls are designed to provide reasonable assurance on the information disclosed in our financial report, but, as result of inherent limitations in our internal control over financial reporting, we cannot assure that significant deficiencies or material weaknesses in our internal control over financial reporting will not be identified in the future. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as accounting standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. See “Item 15. Controls and Procedures—D. Changes in Internal Control over Financial Reporting.”

If we fail to maintain an effective internal control environment, we could suffer material misstatements in our financial statements, fail to meet our reporting obligations or fail to prevent fraud, which would likely cause investors to lose confidence in our reported financial information. This could, in turn, limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our Class A common shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from NYSE, regulatory investigations and civil or criminal sanctions. As disclosed in “Item 15. Controls and Procedures—B. Management’s Annual Report on Internal Control Over Financial Reporting” of this annual report, we concluded that our internal control over financial reporting was effective as of December 31, 2024.

We are subject to the Sarbanes-Oxley Act, which requires, among other things, that we establish and maintain effective internal control over financial reporting and disclosure controls and procedures. Under the current rules of the SEC, we are required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to assess their effectiveness. Our testing may in the future reveal deficiencies in our internal controls that are deemed to be material weaknesses or significant deficiencies and render our internal controls over financial reporting ineffective. If we or our management identifies material weaknesses or significant deficiencies in our internal controls over financial reporting, the market price of our Class A common shares may decline and we may be subject to investigations or sanctions by the SEC, the Financial Industry Regulatory Authority, Inc., or “FINRA,” or other regulatory authorities, as well as litigation.

Further, in terms of regulations and legislation in Brazil, all Brazilian financial and payment institutions, which includes some of our Brazilian subsidiaries, must maintain internal guidelines and procedures to control their respective financial, operational and information systems, and must comply with all applicable legislation. CMN Resolution No. 4,595 of August 28, 2017 provides that Brazilian financial institutions must implement and maintain a compliance policy compatible with its nature, size, complexity, structure, risk profile and business model. Central Bank of Brazil Resolution No. 65 of January 26, 2021, provides similar rules for Brazilian payment institutions. In accordance with CMN Resolution No. 4,968 of November 25, 2021, the executive officers of Brazilian financial institutions are responsible for implementing efficient internal control structures that set out control responsibilities and procedures and establish objectives and procedures applicable to all levels of the institution, among other requirements. The Resolution No. 260 of November 22, 2022, provides similar rules for Brazilian Payment institutions. The executive officers are also responsible for ensuring compliance with all internal procedures.

We have incurred losses in the past, and we may generate losses in the future.

We achieved profitability for the years ended December 31, 2024 and 2023. We incurred losses in the previous financial years. We will need to generate and sustain increased revenue levels and decrease proportionate expenses in future periods to maintain and/or increase profitability. In addition, we intend to expand our customer base, and continue to invest in developing products and services that we believe will improve the experiences of our customers and therefore improve our long-term results of operations. However, customer acquisition could cause us to incur losses in the short term because a material portion of the costs associated with new customers are generally incurred up front, while revenue is uncertain and mostly recognized thereafter as customers make interest payments and utilize our services. Likewise, improvements in products and services have and will continue to cause us to incur significant up-front costs and may not result in the long-term benefits that we expect, which could materially and adversely affect our business. If any of these costs materially rise in the future, our expenses may rise significantly. If we are unable to generate adequate revenue growth and manage our expenses, we may incur losses in the future.

Our results of operations and operating metrics may fluctuate, which may cause the market price of our Class A ordinary shares to decline.

Our results of operations may vary significantly and are not necessarily an indication of future performance. These fluctuations may be a result of a variety of factors, some of which are beyond our control. In particular, our results of operations and operating metrics are subject to volatility based on consumer spending levels. The electronic payments industry in general depends heavily on the overall level of consumer spending, which may be adversely affected by general or localized economic conditions that impact consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. A sustained deterioration in general economic conditions in the markets in which we operate, including a rise in unemployment rates or increases in interest rates, may cause a reduction in overall consumer spending, thereby causing a decline in the number of transactions made by our cardholders or in the average amount spent per transaction, which would adversely impact our results of operations. In addition, our business is affected by customer behavior throughout the year and experiences seasonal fluctuations. We are aware, based on historical information, that months in which certain holidays fall, such as Black Friday and Christmas, generate higher levels of consumption and thus positively benefit our total transaction volume and related revenue. Relatedly, February is a month with lower revenue given fewer calendar days and thus a lower monthly volume of transactions.

In addition to consumer spending levels and seasonality, our results of operations may fluctuate as a result of changes in our ability to attract and retain new customers, increased competition in the markets in which we operate, our ability to expand our operations in new and existing markets, our ability to maintain an adequate growth rate and effectively manage that growth, our ability to keep pace with technological changes in the industries in which we operate, changes in governmental or other regulations affecting our business, harm to our brand or reputation, and other risks described elsewhere in this annual report.

Further, from time to time, we have made and may make decisions that will have a negative effect on our short-term operating results if we believe those decisions will improve our operating results over the long term. These decisions may not produce the long-term benefits that we expect, or they may be inconsistent with the expectations of investors and research analysts, either of which could cause the price of our Class A ordinary shares to decline.

Our business with crypto assets is subject to a fast-evolving and uncertain regulatory landscape and any adverse changes to, or our failure to comply with, any laws and regulations could adversely affect our brand, reputation, business, operating results, and financial condition. In addition, failure of operation systems may cause loss to us or our customers.

As part of our suite of products and services, we enable our customers to purchase and sell certain crypto assets in our platform (NuCrypto). Any failure by us or our partners to maintain the necessary controls or to manage crypto assets and funds appropriately and in compliance with applicable regulatory requirements and cybersecurity considerations could result in potential loss of cryptocurrencies, reputational harm, regulatory enforcement actions, significant financial losses, lead customers to discontinue or reduce their use of our and our partners' products, and result in significant penalties and fines and additional restrictions, which could adversely impact our business, operating results, and financial condition. The significant regulatory uncertainty regarding crypto assets and crypto trading platforms, including in Brazil, may restrict, limit, regulate in excessive and burdensome manner the investment in crypto assets or prohibit the use of such assets and/or related transactions in different jurisdictions, which could adversely affect our activities, the manner in which we currently conduct some aspects of our business and, as a result, our financial condition, results of operations and the market price of our Class A ordinary shares. Consequently, we are subject to potential litigation from clients who may lose their investments in cryptocurrency due to market volatility, or as a result of operational failures and from the uncertain regulatory landscape.

Our systems, the systems of our third-party service providers and partners, and certain crypto asset and blockchain networks have experienced, and may experience in the future, service interruptions because of hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, insider threats, break-ins, sabotage, human error, vandalism, earthquakes, hurricanes, floods, fires, and other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses or other malware, and other events. Significant or persistent interruptions in our services or in services of third-party service providers and partners could harm our reputation and negatively affect our business, operating results, and financial condition.

Although IFRS Accounting Standards do not provide specific guidance with respect to crypto assets,, in January 2025, the SEC staff released Staff Accounting Bulletin No. 122 (“SAB 122”), which rescinded Staff Accounting Bulletin No. 121 (“SAB 121”). The Company effected the rescission of SAB 121 and adopted SAB 122 as of December 31, 2024 on a fully retrospective basis, resulting in the Company derecognizing the previously recognized safeguarding obligation liability related to crypto assets held for other parties and the corresponding safeguarding asset related to crypto assets held for other parties. For more information see note 1 to our audited consolidated financial statements. Given the evolving regulatory landscape for both crypto assets and accounting standards, we cannot assure you that the SEC or other regulatory bodies will not implement further changes affecting our financial reporting, nor can we guarantee that we will be able to timely adapt to any such changes, if at all.

On December 14, 2023, the Central Bank of Brazil initiated Public Consultation No. 97 to gather market input on regulating VASPs, addressing key areas such as asset segregation and risk management, use of virtual assets in cross-border payments and direct investments, consolidation of activities and virtual asset trading subcontracting of essential services, rules of governance and conduct, cybersecurity, disclosure and customer protection and transition rules. Subsequent consultations, including Public Consultations No. 109 and 110 launched on November 8, 2024, propose detailed regulatory frameworks for the incorporation, operation, and licensing of VASPs and other regulated entities. These consultations emphasize compliance requirements such as anti-money laundering rules, asset segregation, and the engagement of foreign custodians. Additionally, Public Consultation No. 111, launched on November 29, 2024, aims to regulate VASPs' operations in the foreign exchange market, introducing rules for international payments and transfers using virtual assets.

The proposed regulatory frameworks could significantly impact our business by introducing new compliance requirements, stringent reporting obligations, and enhanced oversight mechanisms. These changes may increase our operational costs, limit our ability to engage in certain business practices, and expose us to greater regulatory scrutiny and potential penalties. The evolving nature of these regulations adds a layer of uncertainty to our operations, potentially affecting our financial condition and results of operations. On the other hand, regulation enhances the robustness, integrity, and perceived security of the industry among customers, which we believe is crucial for sustainable growth. For a detailed discussion of these potential impacts, please refer to item “—Recent Developments in Brazil—Virtual Assets and Virtual Assets Service Providers” of the Regulatory Overview.

Real or perceived inaccuracies in our key operating metrics may harm our reputation, results of operations and financial condition.

We track certain key operating metrics such as number of customers, monthly active customers, activity rate, purchase volume, deposits, interest-earning portfolio, monthly ARPAC, monthly average cost to serve per customer, client acquisition cost and our NPS, among other metrics, which are not independently verified by any third party. While the metrics presented in this annual report are based on what we believe to be reasonable assumptions and estimates, our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If the internal systems and tools we use to track these metrics understate or overstate performance or contain algorithmic or other technical errors, the key operating metrics we report may not be accurate. If investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our results of operations and financial condition could be adversely affected.

We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow as our business matures.

We were founded in 2013 and began operations in Brazil in 2014, in Mexico in 2019 and in Colombia in 2020. As a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties. Our historical revenue growth and other historical results should not be considered indicative of our future performance. In particular, over the long-term, we expect that our revenue growth will slow as our business matures. It is also possible that our revenue growth does not reach the levels we expect, or declines for any number of reasons, including slowing demand for our products, increasing competition, changes to technology, a decrease in the growth of our overall market, increased regulation or our failure, for any reason, to take advantage of growth opportunities. If our assumptions regarding our future revenue growth and other operating and financial results are incorrect or change, our operating and financial results could differ materially from our expectations.

Our insurance policies may not be sufficient to cover all claims.

Our insurance policies may not adequately cover all risks to which we are exposed. A significant claim not covered by our insurance, in full or in part, may result in significant expenditures by us. Moreover, we may not be able to maintain insurance policies in the future at reasonable costs or on acceptable terms, which may adversely affect our business and the trading price of our Class A ordinary shares.

Fraud could have a material adverse effect on our business, financial condition and results of operations.

We offer products and services to a large number of customers, and we are responsible for vetting and monitoring these customers and determining whether the transactions we process for them are legitimate. When our products and services are used to process illegitimate transactions and we settle those funds, we are unable to recover them, suffer losses and incur liabilities. These types of illegitimate transactions can also expose us to governmental and regulatory sanctions. The highly automated nature of, and liquidity offered by, our payments services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering and terrorist financing. Identity thieves and those committing fraud using stolen or fabricated credit card or account numbers, or other deceptive or malicious practices, potentially can steal significant amounts of money from businesses like ours. It is possible that incidents of fraud could increase in the future. Failure to effectively manage risk and prevent fraud would increase our liability, and could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to integrate our products with a variety of operating systems, software applications, platforms and hardware that are developed by others, our solutions may not operate effectively, our products may become less marketable, less competitive or obsolete and our business, financial condition and results of operations may be harmed.

Our products must integrate with a variety of network, hardware and software platforms, and we need to continuously modify and enhance our products to adapt to changes in hardware, software, networking, browser and database technologies. In particular, we have developed our technology platform to easily integrate with third-party applications through the interaction of application programming interfaces, or “APIs.” In general, we rely on the fact that the providers of such software systems continue to allow us access to their APIs to enable these integrations. To date, we generally have not relied on long-term written contracts to govern our relationship with these providers. Instead, we are subject to the standard terms and conditions for application developers of such providers, which govern the distribution, operation and fees of such software systems, and which are subject to change by such providers from time to time. Our business could be harmed if any provider of such software or other technologies or systems:

- discontinues or limits our access to its APIs;
- modifies its terms of service or other policies, including fees charged to or other restrictions on us or other application developers;
- changes how customer information is accessed by us, our partners or our customers;
- establishes more favorable relationships with one or more of our competitors; or
- develops or otherwise favors its own competitive offerings over ours.

Although we actively monitor our partners and multi-source vendors, we cannot prevent our providers of software or other technologies from changing the features of their APIs, discontinuing their support of such APIs, restricting our access to their APIs or altering the terms governing their use in a manner that is adverse to our business. If our partners or multi-source vendors were to take such actions, our capabilities that depend on such APIs would be impaired until we are able to find a replacement partner or develop an in-house solution, which could significantly diminish the value of our platform and harm our business, operating results and financial condition. In addition, third-party services and products are constantly evolving, and we may not be able to modify our platform to maintain its compatibility with such services and products as they continue to develop, or we may not be able to make such modifications in a timely and cost-effective manner, any of which could harm our business, operating results and financial condition.

If we are unable to operate effectively on mobile platforms, our business, financial condition and results of operations could be materially adversely affected.

Our future growth and success are dependent in part on our ability to provide a functional, reliable and user-friendly mobile platform to our customers. In particular, as we expand geographically, we will need to provide solutions for customers living in areas with low Internet connectivity, reduced bandwidth and latency issues. Our success will also depend on the interoperability of our offerings with a range of third-party technologies, systems, networks, operating systems and standards, including iOS and Android, and the availability of our mobile apps in app stores and in “super-app” environments.

The success of our mobile app could be harmed by factors outside our control, such as:

- actions taken by mobile app distributors;
- unfavorable treatment received by our mobile apps, especially as compared to competing apps, such as the placement of our mobile apps in a mobile app download store;
- increased costs in the distribution and use of our mobile app;
- changes, bugs or technical issues in mobile operating systems, such as iOS and Android, device manufacturers or mobile carriers that degrade the functionality of our mobile website or mobile apps or give preferential treatment to competitive offerings;
- changes to the terms of service or policies of mobile operating systems, device manufacturers or mobile carriers that reduce or eliminate our ability to distribute applications, limit our ability to target or measure the effectiveness of our applications or impose fees or other changes related to our delivery of our applications; and
- government action limiting the accessibility of our mobile app.

Further, we are subject to the standard policies and terms of service of third-party operating systems, as well as policies and terms of service of the various application stores that make our application and experiences available to our customers. These policies and terms of service govern the availability, promotion, distribution, content and operation generally of applications and experiences on such operating systems and stores. Each provider of these operating systems and stores has broad discretion to change and interpret its terms of service and policies with respect to our platform and any such changes, which may be driven by many factors, including increased competition, may be unfavorable to us and our customers’ use of our platform. If we were to violate, or an operating system provider or application store believes that we have violated, its terms of service or policies, that operating system provider or application store could limit or discontinue our access to its operating system or store. In some cases, these terms of service or policies may not be clear or our interpretation of the requirements may not align with the interpretation of the operating system provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against us. Any limitation or discontinuation of our access to any third-party platform or application store could adversely affect our business, financial condition or results of operations.

Additionally, in order to deliver a high-quality mobile experience for our customers, it is important that our products and services work well with a range of mobile technologies, products, systems, networks, hardware and standards that we do not control, and that we have good relationships with mobile operating system partners, device manufacturers and mobile carriers. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, products, systems, networks or standards. In the event that it is more difficult for our customers to access and use our mobile platform, or if our customers choose not to access or use our mobile platform on their mobile devices or use mobile products that do not offer access to our mobile platform, our customer growth and engagement could be harmed. The risks associated with our dependency on our mobile application may be exacerbated by the frequency with which customers change or upgrade their devices. In the event customers choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our customer engagement may be further harmed.

Any acquisition, partnership or joint venture that we make or enter into could disrupt our business and harm our financial condition and results of operations.

As part of our growth strategy, we intend to continue to evaluate opportunities to acquire, invest or form partnerships or joint ventures with businesses, technologies, services and products as such opportunities arise. For more information on our acquisitions, investments, partnerships, or joint ventures, see “Item 5. Operating and financial review and prospects—A. Operating Results—Acquisitions, investments, new lines of business and other developments.” We have entered and may enter into other strategic transactions or arrangements in the future. We may not, however, be able to identify appropriate acquisition, investment, partnership or joint venture targets in the future, and our efforts to identify such targets may result in a loss of time and financial resources. In addition, we may not be able to successfully negotiate or finance such future acquisitions, investments, partnerships or joint ventures successfully or on favorable terms, or to effectively integrate acquisitions into our current business, and we may lose customers or personnel as a result of any such strategic transaction (in particular the customers and personnel of an acquired business). The process of investing in or partnering with other businesses or integrating an acquired business, technology, service or product into our business may divert management’s attention from our core business, and may result in unforeseen operating difficulties and expenditures and generate unforeseen pressures and strains on our organizational culture. Moreover, we may be unable to realize the expected benefits, synergies or developments that we initially anticipate from such a strategic transaction.

Financing an acquisition, investment or other strategic transaction could result in dilution to existing shareholders from issuing equity securities or convertible debt securities, or a weaker balance sheet from using cash or incurring debt, and equity or debt financing may not be available to us on favorable terms, if at all. In addition, in connection with an acquisition or investment, it is possible that the goodwill that has been attributed, or may be attributed, to the target may have to be written down if the valuation assumptions are required to be reassessed as a result of any deterioration in the underlying profitability, asset quality and other relevant matters. There can be no assurance that we will not have to write down the value attributed to goodwill in the future, which would adversely affect our results of operations and net assets.

Furthermore, we may be unable to complete a proposed transaction if we are unable to obtain required regulatory approvals, which may include approval by the Central Bank of Brazil or Brazil’s Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica*, or “CADE”), or other applicable regulatory authorities in the various jurisdictions in which we or a potential acquisition target operate. Even if we are able to obtain regulatory approval, such approval could be subject to certain conditions, which could prevent us from competing for certain customers or in certain lines of business. In addition, we may face contingent liabilities in connection with our acquisitions and joint ventures, including, among others, (1) judicial or administrative proceeding or contingencies relating to the company, asset or business acquired, including civil, regulatory, tax, labor, social security, environmental and intellectual property proceedings or contingencies; and (2) financial, reputational and technical issues, including with respect to accounting practices, financial statement disclosures and internal controls, as well as other regulatory or compliance matters, all of which we may not have identified as part of our due diligence process and that may not be sufficiently indemnifiable under the relevant acquisition or joint venture agreement. We cannot guarantee that any acquisition, partnership or joint venture we make will not have a material adverse effect on our business, financial condition and results of operations.

Substantial and increasingly intense competition within our industry may harm our business, financial condition, results of operations, and prospects.

The Latin American market for financial services, and in particular the Brazilian, Mexican and Colombian financial services markets, have become increasingly competitive in recent years. We face significant competition from traditional Brazilian, other Latin American and international banks and other neobanks, payment services providers, investment advisors and brokers, in addition to other new financial technology companies, startups and non-financial companies operating in certain segments of the financial services industry in which we operate. We expect competition to intensify in the future, both as emerging technologies continue to enter the marketplace and as large financial incumbents increasingly seek to innovate the services that they offer that compete with our platform.

Specifically, we face competition in the consumer credit, investment, payments and insurance segments. Our main competitors in the Brazilian consumer credit space include Itaú Unibanco S.A., Banco Bradesco S.A., Banco Santander (Brasil) S.A., Banco Caixa Econômica Federal and Banco do Brasil S.A. In the Brazilian investment segment, in addition to certain of our competitors in the consumer credit space, our main competitors include Banco BTG Pactual S.A., Banco Inter S.A., Banco C6 S.A. and XP Inc. In the Brazilian payments space, in addition to certain of our competitors in the consumer credit and investment spaces, we face competition from MercadoPago Instituição de Pagamento Ltda., PicPay Instituição de Pagamento S.A., PagSeguro Digital Ltd. and StoneCo Ltd., among others. In addition to existing competition, new competitors may enter the market or existing competitors may offer new or expand existing products or services.

Many of our competitors, in particular traditional banks or competitors that are affiliated with traditional banks, have substantially greater financial, operational and marketing resources than we do. Accordingly, these competitors may be able to offer more extensive or enhanced products and services to customers, or offer such products and services at more attractive rates (including more attractive rates on deposits and rates on loans) or on better terms. As a result, we may be forced to increase our deposit rates, or lower the rates we charge for loans or the fees we charge for other services, or devote significant financial resources to our marketing efforts or developing customized products and services that customers demand, in order to maintain and expand our market share. If this were to occur, we would need to enhance cost control to maintain our margins, and if we are unable to control our costs, our margins and results of operations may be adversely affected. In particular, we have relied primarily on low-touch organic methods of customer acquisition, including an unpaid direct referral method. However, this method of customer acquisition may not be as productive as we would like going forward and could put us at a competitive disadvantage compared to competitors with high-touch customer acquisition models or greater marketing resources. If we are unable to acquire customers through our low-touch organic methods, we may have to increase our marketing investments, or could be unable to grow our revenue and our operating results could be adversely affected.

Further, competition in the financial services industry in Brazil and certain other Latin American markets (including Mexico and Colombia) has increased, both as a result of recent consolidations among financial institutions in such markets, adversely affecting the ability of new market entrants to access material amounts of equity capital, and as a consequence of changes in regulations that (i) increased the ability of customers to switch between financial institutions, (ii) enabled financial institutions to access the financial and personal information of customers, and (iii) established rules for an instant payment arrangement. For example, on May 4, 2020, the CMN and the Central Bank of Brazil implemented the Open Financial System, or “open finance,” in Brazil to facilitate the new market entrants’ access to the financial markets as well as to encourage competition between financial institutions. In particular, the implementing regulations make available to various participants in the Brazilian financial system data relating to customers (where consented to) and services of financial institutions. As participants of open finance, we are required to share standardized data related to our customers, service channels, products and services, which make it easier for other market participants to compete with us. Mexico and Colombia are likewise in the process of implementing an open finance system. Further implementation of open finance may intensify competition in the industry, as the sharing of information between institutions may make it easier for competitors to offer better credit terms and conditions, enabling customers to move such financial obligations from our platform to other competing platforms, which would adversely affect our interest income and therefore our results of operations.

In addition, on November 16, 2020, the Central Bank of Brazil launched the instant payment system, or “Pix,” and the Instant Payment System, or “SPI,” which enable electronic fund transfers in real time around the clock. This ecosystem promotes innovation of the existing payment infrastructure. Although the regulations relating the Pix and SPI ecosystems are subject to further developments from time to time, such initiatives may promote greater competition in the industry, and could cause customers to transition away from the solutions we offer, towards Pix or SPI solutions. In particular, Pix makes processing payments faster and less expensive, fosters additional competition and allows new entrants to join the market, while also serving as a significant source of data that will contribute to the ongoing transformation of the financial industry in Brazil. Such developments could therefore materially and adversely affect our business and results of operations.

If we are unable to successfully compete, the demand for our platform, products and services could stagnate or substantially decline, and we could fail to retain or grow the number of customers using our platform, which would materially and adversely affect our business, results of operations, financial condition and prospects.

Our hedging strategy may not be able to prevent losses.

We use a range of strategies and instruments, including entering into derivative and other transactions, to hedge our exposure to market, credit and operational risks. Nevertheless, we may not be able to hedge all risks to which we are exposed, whether partially or in full, and the hedging strategies and instruments on which we rely may not achieve their intended purpose. Any failure in our hedging strategy or in the hedging instruments on which we rely could result in losses to us and have a material adverse effect on our business, financial condition and results of operations. In addition, our decision not to hedge our foreign exchange exposure originated by our investments in Brazil, Colombia and Mexico could negatively harm our financial condition and results of operations.

Financial instruments, including derivative instruments, securities, cash and cash equivalents that are substantially composed of securities and compulsory and other deposits at central banks represented 55.0% and 52.3% of our total assets as of December 31, 2024 and 2023, respectively. Any realized or unrealized future gains or losses from our investments or hedging strategies could have a significant impact on our income. These gains and losses, which we account for when we sell or assess the fair value of investments in financial instruments, can vary considerably from one period to another. If, for example, we enter into derivatives transactions to protect ourselves against decreases in interest rates and interest rates instead increase, we may incur financial losses. We cannot forecast the amount of gains or losses in any future period, and the variations experienced from one period to another do not necessarily provide a meaningful forward-looking reference point. Gains or losses in our investment portfolio may create volatility in revenue levels, and we may not earn a return on our consolidated investment portfolio, or on a part of the portfolio in the future, and any losses on our securities and derivative financial instruments could materially and adversely affect our income and financial condition. In addition, any decrease in the value of our investment and derivatives portfolios may result in a decrease in our capital ratios, which could impair our ability to engage in lending activity at the levels we currently anticipate.

Such derivative transactions also subject us to market, credit and operational risks, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding or hedge cost) and credit or default risk (the risk of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder). Further, the execution and performance of these transactions depend on our ability to maintain adequate control and administration systems. Our ability to adequately monitor, analyze and report derivative transactions continues to depend, largely, on our information technology systems. These factors further increase the risks associated with these transactions.

Liquidity and funding risks are inherent in our business. Because our principal sources of funds are short-term deposits, a sudden shortage of funds would heighten our liquidity risk and increase our costs of funding.

Liquidity risk is the risk that we either do not have available sufficient financial resources to meet our obligations as they become due or can secure them only at excessive cost. This risk is inherent in our business and can be heightened by a number of factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. Constraints in the supply of liquidity, including in interbank lending, can materially and adversely affect the cost of funding our business, and extreme liquidity constraints may affect our current operations, our growth potential and our ability to fulfill regulatory liquidity requirements.

We currently rely primarily on retail deposits as our main source of funding. As of December 31, 2024, we had US\$28.9 billion of deposits, 90.5% of which were payable on demand, while we had US\$20.6 billion of cash and cash equivalents and securities, composed substantially of liquid government bonds, and US\$6.7 billion in compulsory and other deposits at central banks. The ongoing availability of funding through retail deposits is sensitive to a variety of factors beyond our control, including general economic conditions, the confidence of retail depositors in the economy, in the financial services industry and in us, the availability and extent of deposit guarantees and competition for deposits between banks or with other products. Any of these factors could significantly increase the amount of retail deposit withdrawals that we experience in a short period of time, thereby reducing our ability to access retail deposit funding on economically appropriate and reasonable terms, or at all, in the future. This would have a material adverse effect on our results of operations, financial condition and prospects.

Increases in our costs of funding would also increase our liquidity risk. Our cost of obtaining funds is directly related to prevailing interest rates and to our credit spreads, with increases in these factors increasing our cost of funding. Credit spread variations are market driven and may be influenced by market perceptions of our creditworthiness. Changes to interest rates and our credit spreads occur continuously and may be unpredictable and highly volatile. Disruption and volatility in the global financial markets could have a material adverse effect on our ability to access capital and liquidity on financial terms acceptable to us, or at all. In the event of a sudden or unexpected shortage of funds in the banking system, we cannot guarantee that we will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets, which would materially adversely affect our business. Further, if the supply of retail deposits decreases or ceases to become available, we may be forced to raise the rates we pay on deposits, with a view to attracting more customers, and if retail deposits become excessively expensive, we may be forced to sell assets, potentially at depressed prices. The persistence or worsening of these adverse market conditions or an increase in base interest rates could have a material adverse effect on our ability to access liquidity and could increase our cost of funding, which would adversely affect our results of operations and financial condition.

Our ability to manage our funding base may also be affected by changes in regulation, including the compulsory reserve requirements applicable to our operating subsidiaries in Brazil. For more information on Brazil’s compulsory reserve requirements, see “—Risks Relating to Regulatory Matters and Litigation—Increases in reserve, compulsory deposit, minimum capital and contributions to deposit insurance requirements may have a material adverse effect on us.”

Changes in market and economic conditions could adversely affect revenues, our loan portfolio and decrease the demand for our products and services.

The financial markets, and in turn the financial services industry, are affected by many factors, such as U.S. and foreign economic conditions and general trends in business and finance that are beyond our control, which could be adversely affected by changes in the equity or debt marketplaces, unanticipated changes in currency exchange rates, interest rates, inflation rates, the yield curve, financial crises, war, terrorism, natural disasters and other factors that are difficult to predict. A severe or prolonged downturn or periods of market turmoil in the U.S., Brazilian, Mexican, Colombian or international financial markets (or in other foreign markets in the jurisdictions in which we currently or may in the future operate) could materially and adversely affect the liquidity, credit ratings, businesses and financial conditions of our borrowers, which could in turn increase our non-performing loan ratios, impair our loan and other financial assets and result in decreased demand for borrowings in general. Specifically, we have credit exposure to borrowers which have entered or may shortly enter into insolvency or similar proceedings. We may experience material losses from this exposure. In addition, investments may lose value and our investment customers may choose to withdraw assets or transfer them to investments that they perceive to be more secure, which would adversely affect our income and liquidity positions. Any downturn in financial markets could have a material adverse effect on our results of operations, financial condition or business.

In addition, government actions to control inflation in the countries in which we operate have often involved, among other measures, increases or decreases in interest rates, which directly impact our business. Part of our total revenue consists of interest income on credit card receivables (revolving and refinanced credit card balances) and loans, which is calculated using the effective interest method, which allocates basic interest rate and direct and incremental fees and costs over the expected lives of the assets. As of December 31, 2024, total interest income and gains (losses) on financial instruments was US\$9,631.1 million, an increase of US\$3,191.4 million, or 49.6%, from US\$6,439.7 million for the year ended December 31, 2023.

Increases in interest rates and our credit spreads can directly affect our revenue derived from interest income. Positive variations in the basic interest rate can have an immediate positive effect on our revenues derived from interest income, but can also be harmful to us, causing, among other effects, a reduction in the demand for our credit and investment products, an increase in the cost of raising funds and the risk of default by our customers, all of which could adversely affect us. Conversely, negative variations in the basic interest rate may cause us to lower the interest rate we charge in our financial products and consequently lower our revenues derived from interest income. Changes in our credit spreads are market-driven. Changes to interest rates and our credit spreads occur continuously and may be unpredictable and highly volatile. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk” for more information. Any of these circumstances could adversely affect our results of operations, financial condition or business.

We may not be able to generate sufficient cash to service our indebtedness and may be forced to take other actions to satisfy our obligations under the terms of our indebtedness, which may not be successful.

As of December 31, 2024, we had total indebtedness of US\$1,756.6 million (comprising US\$ 1,730.4 million in borrowings and financing and US\$26.2 million in lease liabilities). Our ability to make scheduled payments on or to refinance our indebtedness depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flow from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay acquisitions and capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. Our existing credit facilities contain restrictive covenants, including customary limitations on the incurrence of certain indebtedness and liens. Our ability to comply with these covenants may be affected by events beyond our control, and breaches of these covenants could result in a default under our credit facilities and any future financing agreements into which we may enter, which in turn could cause our outstanding indebtedness under our credit facilities and any future financing agreements that we may enter into under these terms to become immediately due and payable.

In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis could harm our ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, we would face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources” for more information. Any of these circumstances could adversely affect our results of operations, financial condition or business.

Our holding company structure makes us dependent on the operations of our subsidiaries.

As a holding company, our corporate purpose is to invest, as a partner or shareholder, in other companies, consortia or joint ventures in Brazil, Mexico and Colombia, where most of our operations are located, and outside of these jurisdictions. Accordingly, our material assets are our direct and indirect equity interests in our subsidiaries, and we are therefore dependent upon the results of operations of and, in turn, the payments, dividends and distributions from, our subsidiaries for funds to pay our operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Class A ordinary shares. We may be required to pay taxes on distributions made by our operating subsidiaries to us under the local laws applicable to such subsidiaries. For example, in December 2023, the Brazilian National Congress approved Constitutional Amendment Bill (PEC) no. 45/2019, which was enacted to change the taxes over goods and services also known as the Tax Consumption Reform. According to the Brazilian Government, the next phase of the Reform will be the Income Tax Reform. We believe it is very likely that they will address the income taxes on the distribution of dividends. There are some bills before Congress about taxation on dividends (eg. bills of law No. 2,337/21 and No. 1.087/25) and any imposition of or increases in the taxation on the distribution of dividends (or similar payments or distributions, such as interest on shareholders’ equity) may adversely affect us.

In addition, the payments, dividends and distributions from our subsidiaries to us for funds to pay future cash dividends or distributions, if any, to holders of our Class A ordinary shares could be restricted under financing arrangements that we or our subsidiaries may enter into in the future, and such subsidiaries may be required to obtain the approval of lenders to make such payments to us. Furthermore, we may be adversely affected if the governmental authorities of the jurisdictions in which we operate impose legal restrictions on dividend distributions by our local subsidiaries, and exchange rate fluctuations will affect the U.S. dollar value of any distributions our subsidiaries make with respect to our equity interests in those subsidiaries.

We rely on the Mastercard payment scheme to process our transactions. If we fail to comply with the applicable requirements of the Mastercard payment scheme, Mastercard could seek to fine us, suspend us or terminate our registration, which would have a material adverse effect on our business, financial condition and results of operations.

We rely on payment schemes to process our transactions, and a significant source of our revenue comes from processing transactions through the Mastercard payment scheme. We must pay a fee for this service, and from time to time, the payment schemes may increase the fees that they charge for each transaction using one of their cards, subject to certain limitations.

Payment networks establish their own rules and standards that allocate liabilities and responsibilities among the payment networks and their participants. These rules and standards, including the Payment Card Industry Data Security Standard, govern a variety of areas, including how consumers and customers may use their cards, the security features of cards, security standards for processing, data protection and information security and allocation of liability for certain acts or omissions, including liability in the event of a data breach. The payment schemes routinely update and modify their requirements; the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our processors might find difficult or even impossible to follow or costly to implement. These changes may be made for any number of reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants or to serve the strategic initiatives of the networks, and may impose additional costs and expenses on or be disadvantageous to us. Such changes may impact our ongoing cost of doing business, and we may not, in every circumstance, be able to pass through such costs to our customers. For example, changes in the payment card network rules regarding chargebacks may affect our ability to dispute chargebacks and the amount of losses we incur from chargebacks. If we fail to make such changes or otherwise resolve the issue with the payment card networks, the networks could disqualify us from processing transactions if satisfactory controls are not maintained, which would have a material adverse effect on our business, financial condition and results of operations.

We are subject to audit by the payment networks to ensure compliance with applicable rules and standards, and may be directly liable to the payment card networks for rule violations. If we do not comply with the payment scheme requirements, the payment schemes could seek to fine us, suspend us or terminate our registrations that allow us to process transactions on their schemes, and we could lose our ability to make payments using virtual cards or any other payment form factor enabled by the network. If we are unable to recover amounts relating to fines from or pass through costs to our customers or other associated participants, we would experience a financial loss. The termination of our registration due to failure to comply with the applicable requirements of the Mastercard payment scheme, or any changes in the payment scheme rules that would impair our registration, could require us to stop using the Mastercard payment scheme to process our transactions, which would have a material adverse effect on our business, financial condition and results of operations.

We may require additional capital in the future, which may not be available on acceptable terms or at all.

In the future, we may need to raise additional capital to fund our expansion (organically or through strategic acquisitions), to develop new or enhanced services or products or to respond to competitive pressures, or to comply with regulatory capital adequacy requirements discussed in “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Other Rules—Prudential Framework and Limits of Exposure.” Such financing may not be available on terms favorable to us or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to fund our expansion, take advantage of acquisition opportunities, develop or enhance services or products or respond to competitive pressures, which would have a material adverse effect on our business, results of operations and financial condition. If we raise additional funds through the issuance of equity or convertible debt securities, our shareholders will experience dilution and the securities that we issue may have rights, preferences and privileges senior to those of our Class A ordinary shares, and the market price of our Class A ordinary shares could decline. Any additional funds raised through debt financing will likely require our compliance with restrictive covenants that impose operating and financial restrictions on us, including restrictions on our ability to incur additional indebtedness, create liens, make acquisitions, dispose of assets and make restricted payments, among others. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness.” In addition, such indebtedness may require us to maintain certain financial ratios. These restrictions may limit our ability to obtain future financings, to withstand a future downturn in our business or the economy in general, or to otherwise conduct necessary corporate activities. A breach of any such covenant would likely result in a default under the applicable agreement, which, if not waived, could result in acceleration of the indebtedness outstanding.

Risks Relating to Regulatory Matters and Litigation

We are subject to extensive regulation and regulatory and governmental oversight as a digital financial services platform and as a payment institution. Compliance with or violation of present or future regulations could be costly, expose us to substantial liability and force us to change our business practices, any of which could harm our business and results of operations.

Because we conduct the majority of our operations in Brazil, we are predominately subject to regulation under Brazilian law and by Brazilian authorities, some of which may be periodically amended or revoked. The Brazilian financial and payment markets and Brazilian financial and payment institutions are subject to extensive regulatory control by the Brazilian government, principally by the Central Bank of Brazil, the CVM, the CMN, and the B3, which, in each case, materially affects our business.

Because certain of our subsidiaries are financial services payment institutions in Brazil, our business is subject to Brazilian laws and regulations relating to electronic payments in Brazil, including Federal Law No. 12,865/13, as well as to financial services, including Federal Law No. 4,595 of December 31, 1964, as amended, or the “Banking Law” and Federal Law No. 6,385/76 and related rules and regulations issued by the CMN, the Central Bank of Brazil and the CVM. In addition, the activity of one of our subsidiaries as an insurance broker is subject to various laws and regulations in Brazil, such as Federal Law No. 4,594/64, Decree Law No. 73/66 and certain other rules and regulations issued by the CNSP and SUSEP, among others.

The laws, rules, and regulations that govern our business include those relating to deposit-taking, cross-border and domestic money transmission, foreign exchange, payments services (such as payment processing and settlement services), consumer financial protection, tax, anti-money laundering and terrorist financing and rules relating to unclaimed property. Specifically, we are subject to anti-money laundering and terrorist financing laws and regulations in multiple jurisdictions that prohibit, among other things, involvement in transferring the proceeds of criminal or terrorist activities. We could be subject to liability and forced to change our business practices if we were found to be subject to, or in violation of, any laws or regulations impacting our ability to maintain a banking account in the countries where we operate, or if existing or new legislation or regulations applicable to financial institutions in the countries where we maintain a banking account were to result in banks in those countries being unwilling or unable to establish and maintain banking accounts for us. As regulated payment and financial institutions in Brazil, certain of our operating subsidiaries are subject to rules and regulations relating to minimum equity capital, minimum net equity and other regulatory capital requirements and reference equity, compulsory deposits and contributions, internal controls, anti-money laundering, know your customer obligations, sanctions, ombudsman and customer service, internal auditing, cybersecurity and bank secrecy, among others. See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview” for a detailed description of the regulatory requirements applicable to us and our operating subsidiaries. In addition, as our business continues to develop and expand, we may become subject to additional rules and regulations, which may limit or change how we conduct our business.

These laws, rules and regulations are enforced by multiple authorities and governing bodies in Brazil, including the Central Bank of Brazil, the CVM and the CMN. In their supervisory roles, the Central Bank of Brazil, the CVM and the CMN seek to maintain the safety and soundness of financial and payment institutions with the aim of strengthening the protection of customers and the financial system. Their continuing supervision of financial and payment institutions is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns, reports obtained from skilled persons, visits to firms and regular meetings with management to discuss issues such as performance, risk management and strategy. As a result, we face increased supervisory scrutiny (resulting in increasing internal compliance costs and supervision fees), and in the event of a breach of our regulatory obligations we are likely to face more stringent scrutiny and potentially significant fines.

Changes in regulations in Brazil and international markets in which we operate may expose us to increased compliance costs and limit our ability to pursue certain business opportunities or provide certain products and services. The regulation governing Brazilian payment and financial institutions is continuously evolving, including as a result of political, economic and social events, and the Central Bank of Brazil has reacted actively and extensively to developments in our industry. Specifically, Brazilian regulators frequently update prudential standards in accordance with the recommendations of the Basel Committee on Banking Supervision, in particular with respect to capital and liquidity, which could impose additional significant regulatory burdens on us, including additional and material capital requirements applicable to certain of our subsidiaries’ activities as payment institutions. See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Other Rules—Prudential Framework and Limits of Exposure—Payment Institutions” for more information about potential changes to prudential regulations applicable to payment institutions in Brazil. Our operations could also be adversely affected by changes with respect to restrictions on remittances abroad and other exchange controls as well as by interpretations of the law by courts and agencies in a manner that differs from our legal advisors’ opinions. There can be no assurance that future changes in regulations or in their interpretation or application will not have a material adverse effect on us.

The measures of the Central Bank of Brazil and the amendment of existing laws and regulations, or the adoption of new laws or regulations, could adversely affect our ability to provide loans, make investments or render certain financial and payment services. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on our business and results of operations. As some of the Brazilian banking laws and regulations have been recently issued or become effective, the manner in which those laws and related regulations are applied to the operations of financial and payment institutions is still evolving. Moreover, to the extent that these recently adopted regulations are implemented inconsistently in Brazil, we may face higher compliance costs. Furthermore, regulatory authorities have substantial discretion in how to regulate financial and payment institutions, and this discretion, and the regulatory mechanisms available to the regulators, have been increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators (such as caps on interchange fees or interest rates, which could negatively affect our business, financial condition and results of operations given the importance of consumer credit products to our revenue), and these ad hoc regulations may especially affect financial institutions that may be deemed to be systemically important.

Although we have a compliance program focused on applicable laws, rules and regulations and are continually investing in this program, in the event of non-compliance with laws or regulations, we may nonetheless be subject to fines or other penalties in one or more jurisdictions levied by federal, state or local regulators, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include significant criminal and civil lawsuits, including against our management and controlling shareholder, disgorgement of profits, forfeiture of significant assets, loss of required licenses or approvals or other enforcement actions, including insolvency proceedings instituted by the Central Bank of Brazil. Any disciplinary or punitive action by our regulators or failure to obtain required operating authorizations could seriously harm our business and results of operations. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. In addition, any perceived or actual failure to comply with applicable laws, rules and regulations could have a significant impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, require us to expend significant funds to remedy problems caused by non-compliance and to avert further non-compliance.

We also have operations outside of Brazil, including in Mexico and Colombia, along with information technology and business support operations in Uruguay and the United States. In particular, in Mexico, our products are offered by a financial institution, Sofipo. Similar to financial entities in Brazil, financial entities in Mexico are subject to extensive regulation and the oversight of the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*), the CNBV, Condusef and, in limited issues, Banxico. Mexican authorities have been reviewing the regulations applicable to financial entities and closely supervise digital financial companies. Changes to these laws and other applicable laws and regulations have been discussed by the Mexican regulators, and could materially affect our operations in Mexico. See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview-Mexico” for more information. In Colombia, our savings account and credit card products are offered by a financial entity subject to extensive regulation, predominantly under the Financial System’s Basic Legal Statute—which sets the framework for operating financial entities, including protocols for safeguarding customer deposits and guidelines on regulatory compliance and oversight—as well as laws governing financial consumer protection and data protection. Additionally, interest rates in Colombia are capped as provided by the Colombian Commercial and Criminal Codes. Our operations in Colombia are subject to supervision by the SFC (with some exceptions) and by the Superintendence of Industry and Commerce regarding data protection. Furthermore, the new Colombian government has expressed clear intentions to promote inclusion and competition through an instant payment system currently being developed by the Central Bank (referred to as Bre-B) and through open banking regulations. See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview-Colombia” - for more information.

Given the volume, granularity, frequency and scale of regulatory and other reporting requirements, we must maintain a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands, and we may face supervisory measures as a result.

Certain ongoing legislative and regulatory initiatives under discussion by the Brazilian Congress, the Central Bank of Brazil, the Ministry of Finance and the broader payments industry may result in changes to the regulatory framework of the Brazilian payments and financial industries, which may have an adverse effect on our business and cause us to incur increased compliance costs.

In recent years, the Central Bank of Brazil issued several regulations related to the Brazilian payments market, aiming to increase the use of electronic payments, increase competitiveness in the sector, strengthen governance and risk management practices in the industry, encourage the development of new solutions and the differentiation of products to consumers and promote the increased use of electronic payment means. Such measures include the following regulations enacted by the Central Bank of Brazil: (i) Resolution No. 246, effective as of April 1, 2023 and which, among other matters, imposes a maximum limit for the interchange fee levied on (a) all prepaid card transactions in Brazil to 0.7%; and (b) all debit card transactions to 0.5%; (ii) Resolution of the Central Bank of Brazil No. 1/2020, which created the instant payment ecosystem; and (iii) Joint Resolution No. 1/2020, which governs the Open Financial System (Open Finance) initiative in Brazil.

In addition to such recently enacted regulations, on October 3, 2023, Law No. 14,690 was published, ratifying the emergency program for renegotiation of debts of individuals in default depending on the category the debtor is, which in turn depends on the amount of the debtor’s debt (“*Desenrola Brasil*”) and establishing that credit card issuers must submit for approval of the CMN regulations that limit the interest and financial fees charged over the outstanding balance of credit cards invoices, in the categories of revolving credit (*crédito rotativo*) and installment credit (*parcelamento de fatura de cartão de crédito*).

With the enactment of Law 14,690/2023, the CMN and the Central Bank of Brazil have regulated, through Resolution No. 5,112 and Resolution No. 365 of December 21, 2023, respectively, the limitation provided for in Law 14,690/2023, which sets forth that the total amount charged by institutions that grant financing through revolving credit and/or installment credit as interest and financial charges may not exceed the original amount of the debt financed and that financial education and transparency measures are to be adopted. This limitation applies to all issuers of credit cards and other post-paid payment instruments.

These discussions are in various phases of development, whether as part of legislative, regulatory or private initiatives in the industry, and the overall impact of any such reform proposals is difficult to estimate. Any such changes in laws, regulations or market practices have the potential to alter the type or volume of the card-based transactions we process and our payment services and could adversely affect our business, results of operations and financial condition. For further information on the regulatory landscape, please see “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil.

We are subject to anti-corruption, anti-bribery and anti-money laundering laws and regulations and may be subject to sanctions.

We operate in jurisdictions that have a high risk for corruption and we are subject to various anti-corruption, anti-bribery and anti-money laundering laws and regulations, as well as those relating to sanctions, including the Brazilian Federal Law No. 12,846/2013, or the “Clean Company Act,” the Brazilian Federal Law No. 9,613/1998, or the “Brazilian Anti-Money Laundering Law,” the Brazilian Federal Law No. 8,429/1992, or the “Brazilian Public Improbability Law,” the Brazilian Federal Law No. 7,492/1986 or the “White-Collar Crime Law”, the Brazilian Federal Law No. 14,133/2021, and the United States Foreign Corrupt Practices Act of 1977, as amended, or the “FCPA,” among others. Each of the Clean Company Act, the Brazilian Anti-Money Laundering Act, the Brazilian Public Improbability Law and the FCPA impose liability against companies who engage in bribery of government officials, either directly or through intermediaries.

In Colombia, key laws on anti-corruption, anti-bribery, and anti-money laundering include: Law 1474 of 2011 (Anti-Corruption Statute, which establishes a series of provisions aimed at preventing, investigating, and sanctioning corruption in both the public and private sectors), Law 599 of 2000 (Colombian Criminal Code, which defines offenses such as bribery in Article 444 and money laundering Article 323), Law 190 of 1995 (Anti-Corruption and Transparency Statute), Law 2195 of 2022 (which strengthens sanctions and controls against corruption), Law 1121 of 2006 (measures against terrorist financing), Decree 663 of 1993 (Financial System Organic Statute, which establishes prevention obligations for financial entities. Chapter XVI is related to prevention of criminal activities), and P1 Tit IV Chapter IV of the Basic Legal Circular of Financial Superintendence of Colombia (SARLAFT regulation, which regulates the implementation of the AML System for financial entities).

Nu México Financiera is subject to strict anti-corruption, anti-bribery, and anti-money laundering (AML) regulations in Mexico. Two of the key laws governing AML efforts are the Federal Law on the Prevention and Identification of Operations with Resources of Illicit Origin (LFPIORPI) and the Popular Savings and Credit Law, which require Nu Mexico to monitor, report, and prevent money laundering and terrorism financing activities. Secondary regulations stemming from such laws require Nu Mexico to implement internal controls, conduct customer due diligence (Know Your Customer – KYC), and report suspicious transactions to the Financial Intelligence Unit (Unidad de Inteligencia Financiera or UIF), which is responsible for investigating and preventing illicit financial activities.

Nu México Financiera must comply with the General Law of Administrative Responsibilities (LGRA) and the Federal Criminal Code, which establish fines and penalties for public and private sector corruption, including bribery, embezzlement, and influence peddling. These laws prohibit engaging in corrupt practices and require robust compliance programs to mitigate risks.

Anti-money laundering, anti-bribery, anti-corruption and sanctions laws and regulations to which we are subject require us, among other things, to conduct full customer due diligence (including sanctions and politically exposed person screening) and keep our customer, account and transaction information up to date. We are also required to report suspicious transactions and activity to appropriate law enforcement following full investigation. We have implemented financial crime policies and procedures detailing what is required from those responsible. However, we rely heavily on our employees to assist us by spotting such illegal and improper activities and reporting them, and our employees have varying degrees of experience in recognizing criminal tactics and understanding the level of sophistication of criminal organizations. If we decide to instead outsource any of our customer due diligence, customer screening or anti-financial crime operations, we would remain responsible and accountable for full compliance and any breaches. In addition, we rely upon our relevant counterparties to a large degree to maintain and appropriately apply their own appropriate compliance measures, procedures and internal policies. If we are unable to apply the necessary scrutiny and oversight of employees, third parties to whom we outsource certain tasks and processes or counterparties, we increase the risk of regulatory breach.

Financial crime – and the surrounding regulatory landscape – is continually evolving. Our ability to comply with changing applicable legal requirements depends on our ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability, which requires proactive and adaptable responses from us and ongoing changes to systems and operational activities. While we maintain policies and procedures aimed at detecting and preventing the use of our platform for money laundering and other financial crime-related activities, emerging technologies could limit our ability to track the movement of funds and therefore present a risk to our company. Even known threats can never be fully eliminated, and there will be instances where our platform may be used by other parties to engage in money laundering and other illegal or improper activities. Further, compliance with these laws and regulations requires sophisticated automated systems, which may fail.

Regulators may increase enforcement of or modify our obligations, which may require us to make adjustments to our compliance program, including the procedures we use to verify the identity of our customers and to monitor our transactions. Specifically, regulators regularly reexamine the transaction volume thresholds that we must obtain and any change in such thresholds could result in increased compliance costs. For example, the Central Bank of Brazil enacted Circular No. 3,978, which became effective on October 1, 2020 and provided new guidelines with a risk-based approach for anti-money laundering and terrorist financing policies, procedures and controls. Under these guidelines, a regulated institution has the discretion to determine which procedures it will adopt for each customer, based on the internal risk assessment concerning the committing of crimes relating to money laundering and terrorism financing latent in the regulated entity’s business. Overall, we may not be able to comply, in a timely manner or at all, with new regulations, or obtain appropriate exemptions from regulatory authorities, and any new requirements or changes to existing requirements could impose significant costs, result in delays to planned product improvements, make it more difficult for new customers to join our platform and reduce the attractiveness of our products and services.

While we have developed and implemented policies and procedures designed to ensure compliance by us and our personnel with applicable anti-corruption, anti-bribery, anti-money laundering and sanctions laws and regulations, such policies and procedures may not be effective in all instances to prevent violations, either directly or through intermediaries. Violations of – or even accusations of or associations with violations of – anti-corruption, anti-bribery, anti-money laundering or sanctions laws and regulations could result in criminal liability, administrative and civil lawsuits, significant fines and penalties (including being added to “black lists” that would prohibit certain parties from engaging in transactions with us), forfeiture of significant assets and reputational harm. If we are unable to fully comply with applicable laws, regulations and expectations, our regulators and relevant law enforcement agencies have the ability and authority to require a complete review of our business systems, day-to-day supervision by external consultants and ultimately the revocation of licenses necessary to conduct our business. The foregoing could have a material adverse effect on our operating results, financial condition and prospects.

Misconduct of our directors, officers, employees, consultants or third-party service providers could harm us by impairing our ability to attract and retain customers and subjecting us to legal liability and reputational harm.

Our directors, officers, employees, consultants and third-party service providers could engage in misconduct that adversely affects our business. We are subject to a number of obligations and standards arising from our business and the violation of these obligations and standards by any of our directors, officers, employees, consultants or third-party service providers could adversely affect our customers and us. If our directors, officers, employees, consultants or third-party service providers were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial condition or business relationships. Detecting or deterring employee misconduct is not always possible, and the precautions we take to detect and prevent this activity may not be effective in all cases. If one of our employees or consultants were to engage in misconduct or were to be accused of such misconduct, our business and our reputation could be adversely affected.

In recent years, regulatory authorities across various jurisdictions, including Brazil and the United States, have increasingly focused on enhancing and enforcing anti-bribery laws, such as the Clean Company Act and the FCPA. While we have developed and implemented policies and procedures designed to ensure compliance by us and our personnel with such laws, such policies and procedures may not be effective in all instances. Any determination that we have violated the Clean Company Act (which establishes in Brazil the strict administrative and civil liability of legal entities for the practice of harmful acts committed in their Interest or benefit against the government, domestic or foreign), the FCPA, or other applicable anti-corruption laws could subject us to, among other things, civil and criminal penalties or material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business, financial condition, results of operations or the market value of our Class A ordinary shares.

We are subject to costs and risks associated with enhanced or changing laws and regulations affecting our business, especially those relating to data privacy, security and protection. Developments in these and other laws and regulations could harm our business, financial condition or results of operations.

We operate in a complex regulatory and legal environment that exposes us to compliance and litigation risks that could materially affect our business, financial condition or results of operations. These laws may change, sometimes significantly, as a result of political, economic or social events. In addition to the laws and regulations governing our status and operation as a financial and a payment institution (discussed in “—We are subject to extensive regulation and regulatory and governmental oversight as a digital financial services platform and as a payment institution. Compliance with or violation of present or future regulations could be costly, expose us to substantial liability and force us to change our business practices, any of which could harm our business and results of operations”), some of the federal, state or local laws and regulations that affect us include those relating to consumer products, product liability or consumer protection; those relating to the manner in which we advertise, market or sell products; labor and employment laws, including wage and hour laws; tax laws or interpretations thereof; bank secrecy laws; data protection and privacy laws and regulations; and securities and exchange laws and regulations. See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview” for more information. We face significant compliance costs and risk of non-compliance with respect to these existing laws and regulations, which costs and risks could be heightened by changes and developments with respect to such laws and regulations. There has also been increasing regulatory scrutiny from the SEC with respect to adequately disclosing risks concerning cybersecurity and data privacy, which increases the risk of investigations into cybersecurity practices and related disclosures, of companies within its jurisdiction which, at a minimum, can result in diversion of resources for targeted businesses. There can be no guarantee that we will be able to adapt our business, or have sufficient financial resources, to comply with any new regulations, or that we will be able to successfully compete in the context of a shifting regulatory environment.

In particular, data protection and privacy laws are developing rapidly to take into account the changes in cultural and consumer attitudes towards the protection of personal data. In operating our business and providing services and solutions to customers, we collect, use, store, transmit and otherwise process sensitive employee and customer data, including personal data, in and across multiple jurisdictions. We leverage systems and applications that are spread all over the world, requiring us to regularly move data across national borders. As a result, we are subject to a variety of laws and regulations in Brazil, Mexico, Colombia (See “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Data Privacy and Protection” and “—E-Commerce, Data Protection and Taxes,” “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Mexico—Data Privacy and Protection” and “—E-Commerce, Data Protection and Taxes” and “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Colombia—Data Privacy and Protection”) - Brazil-- and", “Item 4. Information on the Company—B. Business Overview—Regulatory Overview-Mexico-Data Privacy and Protection” and “E-commerce, Data Protection and Taxes” and “Item 4.Information on the Company—B. Business Overview—Regulatory Overview-Colombia-Data Privacy and Protection") the EU and around the world, as well as contractual obligations, regarding data privacy, security and protection. In many cases, these laws and regulations apply not only to third-party transactions, but also to transfers of information between or among us, our subsidiaries and other parties with which we have commercial relationships.

Personal privacy, information security, and data protection are significant issues globally. The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other personal data, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. The occurrence of unanticipated events and development of evolving technologies often rapidly drives the adoption of legislation or regulation affecting the use, collection or other processing of data and the manner in which we conduct our business. Although we endeavor to comply with our policies and documentation, we may at times fail to do so or be alleged to have failed to do so. Any failure or perceived failure by us to comply with our privacy policies or any applicable privacy, security or data protection, information security or consumer-protection related laws, regulations, orders or industry standards in one or more jurisdictions could expose us to costly litigation, significant awards, fines or judgments, civil and criminal penalties or negative publicity, and could materially and adversely affect our business, financial condition and results of operations. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair or misrepresentative of our actual practices, which could, individually or in the aggregate, materially and adversely affect our business, financial condition and results of operations.

In addition, non-compliance with data protection regulations can lead to significant legal, financial and reputational repercussions.

Internationally, many jurisdictions have established their own data security and privacy legal framework with which we or our customers may need to comply, including, but not limited to, the European Union, or the “EU.” The EU’s privacy, data protection and information security landscape is currently evolving, resulting in possible significant operational costs for internal compliance and risk to our business. Within the EU, the General Data Protection Regulation, or the “GDPR,” which went into effect in May 2018 and contains numerous requirements and changes from previously existing EU law, including more robust, direct obligations on data processors in addition to data controllers, heavier documentation requirements for data protection compliance programs and significant increases in the level of sanctions for non-compliance. In particular, under the GDPR, EU data protection authorities have the power to impose administrative fines for violations of the GDPR of up to a maximum of €20 million or 4% of the data controller’s or data processor’s total worldwide global turnover for the preceding fiscal year, whichever is higher, and violations of the GDPR may also lead to damages claims by data controllers and data subjects. Such penalties are in addition to any civil litigation claims by data controllers, customers and data subjects. Being subject to the GDPR, we may need to take steps to cause our processes to be compliant with applicable portions of the GDPR, but we cannot guarantee that we will be able to implement changes in a timely manner or without significant disruption to our business, or that such steps will be effective, and we may face liability under the GDPR. We expect that there will be additional proposed and adopted laws, regulations and industry standards concerning privacy, data protection and information security in the jurisdictions in which we operate and in jurisdictions into which we may expand in the future.

As we seek to build a trusted and secure consumer platform, and as we expand our customer base and increase the number of transactions we process, we will increasingly be subject to laws and regulations relating to the collection, use, retention, security and transfer of information, including the personally identifiable information of our employees and our customers. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible they will be interpreted and applied in ways that are inconsistent with our existing data management practices or the features of our services and platform capabilities, which would materially and adversely affect our business. Additionally, our customers may be subject to differing privacy laws, rules and legislation, which may mean that they require us to be bound by varying contractual requirements applicable to certain other jurisdictions. Adherence to such contractual requirements may impact our collection, use, processing, storage, sharing and disclosure of various types of information including financial information and other personal data, and may mean we become bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules and regulations evolve. Complying with these requirements and changing our policies and practices may be onerous and costly, and we may not be able to respond quickly or effectively to regulatory, legislative and other developments. These changes may in turn impair our ability to offer our existing or planned features, products and services and increase our cost of doing business. As we expand our customer base, these requirements may vary from customer to customer, further increasing the cost of compliance and doing business. Any additional privacy laws, rules or regulations enacted or approved in Brazil, Mexico, Colombia or in other jurisdictions in which we operate could cause us to incur costs to correct the breaches or failures, expose us to uninsured liability, increase our risk of regulatory scrutiny, subject us to lawsuits and result in the imposition of material penalties and fines under state and federal laws or regulations, which could seriously harm our business, financial condition or results of operations. Any failure, real or perceived, by us to comply with our posted privacy policies or with any regulatory requirements or orders or other local, state, federal or international privacy or consumer protection-related laws and regulations could cause customers to reduce their use of our products and services and could materially and adversely affect our business.

Increases in reserve, compulsory deposit, minimum capital and contributions to deposit insurance requirements may have a material adverse effect on us.

The Central Bank of Brazil has periodically changed the level of regulatory reserves and compulsory deposits that payment institutions (such as Nu Pagamentos) and financial institutions (such as Nu Financeira) in Brazil are required to maintain, and has adjusted compulsory allocation requirements to finance government programs and mandated contributions to the deposit insurance program maintained by the Credit Guarantee Fund, or the “FGC,” with these changes continuing to be a potential area of risk as they may increase the reserve and compulsory deposit or allocation and contribution requirements in the future or impose new requirements on us, which as a result could reduce our liquidity to fund our loan portfolio and other investments and, as a result, may have a material adverse effect on our business, financial condition and results of operations.

Compulsory deposits and allocations generally do not yield the same return as other investments and deposits because a portion of compulsory deposits and allocations must be held in Brazilian federal government securities or return yielding balances at the Central Bank.

In recent years, the CMN and Central Bank of Brazil have also published several rules to implement, update and improve Basel III and associated capital and prudential rules in Brazil. This set of regulations includes a revised definition of capital, capital requirements, capital buffers, credit valuation adjustments, exposures to central counterparties, leverage and liquidity coverage ratios, for instance, Central Bank of Brazil Resolutions No. 197, 198, 199, 200, 201 and 202, all dated March 11, 2022. The new prudential requirements will be enforceable according to an implementation calendar, with full implementation expected to take place in January 2025, and establish a new set of rules aiming to harmonize the capital and prudential requirements applicable to payment services offered by payment institutions (including those provided by Nu Pagamentos) and to those applicable to payment services offered by financial institutions. New rules, including those that might result from the implementation of Basel III by the Brazilian regulators, may increase the minimum capital requirements applicable to Nu’s prudential conglomerate.

We are subject to regulatory intervention and antitrust litigation under competition laws.

We are subject to scrutiny from governmental agencies under competition laws in countries in which we operate. Some jurisdictions also provide private rights of action for competitors or consumers to assert claims of anticompetitive conduct pursuant to which companies or governmental agencies may allege that our actions violate antitrust or competition laws, or otherwise constitute unfair competition. Contractual agreements with buyers, sellers or other companies, as well as our unilateral business practices, could give rise to regulatory action or antitrust investigations or litigation. Some regulators may perceive our business to have such significant market power that otherwise uncontroversial business practices could be deemed anticompetitive. Any such claims and investigations, even if they are unfounded, may be expensive to defend, involve negative publicity and substantial diversion of management time and effort, and could result in significant judgments against us and harm to our business.

Requirements associated with being a public company in the United States require significant company resources and management attention.

We are subject to certain reporting requirements of the Exchange Act and the other rules and regulations of the SEC and the NYSE. We are also subject to various other regulatory requirements, including the Sarbanes-Oxley Act. We expect these rules and regulations to increase our legal, accounting and financial compliance costs and to make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantial costs to maintain the same or similar coverage. New rules and regulations relating to disclosure, financial reporting and controls and corporate governance, which could be adopted by the SEC, the NYSE or other regulatory bodies or exchange entities from time to time, could result in a significant increase in legal, accounting and compliance costs and make certain corporate activities more time-consuming and costly, which could materially affect our business, financial condition and results of operations. These rules and regulations may also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. These obligations will also require substantial attention from our senior management and could divert their attention away from the day-to-day management of our business. These cost increases and the diversion of management’s attention could materially and adversely affect our business, financial condition and results of operations.

There can be no assurance that we will not be a passive foreign investment company for the current or any future taxable year, which could subject U.S. investors in our Class A ordinary shares to significant adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended, or the “Code,” we will be a passive foreign investment company, or “PFIC,” for any taxable year in which, after applying certain look-through rules, either (i) 75% or more of our gross income consists of “passive income,” or (ii) 50% or more of the average value (generally determined on a quarterly basis) of our assets consists of assets that produce, or are held for the production of, “passive income.” Passive income generally includes dividends, interest, rents, certain non-active royalties, and capital gains. Cash is generally a passive asset for these purposes.

Based on proposed U.S. Treasury regulations, or the “1995 Proposed Regulations,” including those which are proposed to be effective for taxable years beginning after December 31, 1994 and our current operations, income, assets and certain estimates and projections (such as the relative values of our assets, including goodwill), we do not believe that we were a PFIC for our 2024 taxable year. However, there can be no assurance that the Internal Revenue Service, or the “IRS,” will agree with our conclusion. Among other reasons, whether we were a PFIC in 2024 or will be a PFIC in any future taxable year is uncertain because: (i) the 1995 Proposed Regulations may not be finalized in their current form, (ii) PFIC status is determined on an annual basis at the end of each taxable year, and (iii) the composition of our income and assets and the market value of our assets (which may be determined, in part, by reference to the market price of our Class A ordinary shares, which could be volatile) may vary from time to time. In addition, proposed U.S. Treasury regulations in 2021, or the “2021 Proposed Regulations,” significantly alter the application of the exception to the PFIC rules for the active conduct of a banking, financing, or similar business. The application of the 2021 Proposed Regulations is not entirely clear and, if we can no longer rely on the 1995 Proposed Regulations, and the 2021 Proposed Regulations are adopted in their current form, there can be no assurances that we will not be considered a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds Class A ordinary shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds Class A ordinary shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on disposition as ordinary income, (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends and (iii) compliance with certain reporting requirements. A “mark-to-market” election may be available that will alter the consequences of PFIC status if our Class A ordinary shares are regularly traded on a qualified exchange. For further discussion see “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations.”

Changes in tax laws, incentives, benefits and regulations may adversely affect our financial condition and results of operations.

Group companies located in Brazil currently are subject to Income Tax, or “IRPJ,” at a rate of 25% and Social Contribution on Net Profit, or “CSLL,” at a rate of 15% for financial companies and at a rate of 9% for non-financial companies. Furthermore, the Contribution for Social Security Financing, or “COFINS,” is charged on financial income obtained by companies at a rate of 4% and a rate of 7.6% for non-financial income with the possibility of taking credit restricted. The contribution from the Social Integration Program, or “PIS,” also applies on financial income obtained by companies at a rate of 0.65% and 1.65% for non-financial income with the possibility of restricted credit taking. Lastly, the service revenue will currently be subject to Service Tax at a rate varying between 2% and 5% depending on the type of service.

Nu group companies in Mexico and Colombia have income tax as their main tax at rates of 30% and 35%, respectively. Nu group companies in Mexico and Colombia are also subject to VAT taxation under the general rates of 16% and 19%.

Our business may be adversely affected by recent and evolving changes in tax regulations in Brazil and other jurisdictions where we operate. In January 2025, Brazil enacted Supplementary Law No. 214/2025, establishing a new value-added tax system through the creation of the Tax on Goods and Services (IBS) and the Contribution on Goods and Services (CBS). Although the VAT framework introduces a multi-year transition period, key elements—such as applicable tax rates and detailed implementation rules—remain pending, increasing complexity and uncertainty in our tax planning and forecasting. Separately, Brazil has adopted new transfer pricing rules aligned with OECD guidelines which may affect our intercompany transactions and overall tax position. However, several interpretative aspects are still subject to further regulatory development, which causes additional uncertainty in our tax planning and forecasting. Additionally, Brazil implemented the OECD/G20 Pillar II rules effective January 1, 2025, introducing a 15% global minimum tax through the Qualified Domestic Minimum Top-up Tax (QDMTT). While we do not expect the Pillar II rules to materially affect our effective tax rate—given that our operating entities are generally subject to statutory tax rates of at least 30%—the recent adoption of these rules contributes to an environment of ongoing tax uncertainty. Collectively, these reforms may increase compliance costs, require adjustments to our operational or legal structure, divert management attention, and adversely impact our financial condition or results of operations.

Further, the Brazilian Government has been articulating initiatives that will change Brazilian income taxation that, if enacted, could impact our business. The debates with Congress and the private sector begin in the first quarter of 2025.

Changes in tax laws, regulations, related interpretations and tax accounting standards in Brazil, Mexico, Colombia, the Cayman Islands, the United States or any other jurisdiction in which we operate or may in the future operate may result in higher taxation of our business, which may significantly reduce our profits and cash flows from operations. In addition, the newly elected U.S. government has indicated the intent to propose significant changes to the U.S. tax system and has imposed tariffs, all of which may affect our business and our tax liabilities.

Also, it is not possible to precisely predict if and how potential changes may affect our business, but one or more states, municipalities or federal governments may seek to challenge the taxation or procedures applied to our transactions, and could impose taxes or additional reporting, record-keeping or indirect tax collection obligations on our business. New taxes could also require us to incur substantial costs to capture data and collect and remit taxes. If such obligations were imposed, the additional costs associated with tax collection, remittance and audit requirements could have a material adverse effect on our business and financial results.

In addition, our companies use tax benefits and incentives that may cease to exist or not be renewed, impacting our financial results if certain tax incentives are not retained or renewed. For example, Brazilian Law No. 11,196 currently grants tax benefits to companies that invest in research and development, which reduces our annual income tax expense. However, we cannot guarantee that such tax benefits will remain in place or that we will continue to qualify for them.

Our interpretation of certain laws may be subject to review by the Brazilian Judiciary, which may have adverse tax consequences. For instance, in February 2023, the Brazilian Federal Supreme Court (STF), by unanimous vote, concluded that favorable judicial decisions to taxpayers (*res judicata*) must be automatically annulled if, after such decisions were issued, the Brazilian Federal Supreme Court reaches a different understanding on the subject matter. That is, if years ago a company obtained authorization from the courts to stop collecting a certain tax, this permission could automatically expire if and when the STF understands that the charge of such tax is actually legitimate. In this sense, if there is any type of reversal of pro-taxpayer decisions and case law in the Brazilian courts that is sensitive to our business, our financial and operating results could be negatively affected.

Brazilian government authorities at the federal, state and local levels are considering changes in tax laws to cover budgetary shortfalls resulting from the recent economic downturn in Brazil. If enacted, such changes may harm our financial results by increasing our tax burden, increasing our tax compliance costs or otherwise affecting our financial condition, results of operations and cash flows. Finally, establishing a provision for income tax expense and filing returns requires us to make judgments and interpretations about the application of inherently complex tax laws, and in particular Brazilian income tax laws, which are subject to different interpretations by the taxpayer and relevant governmental taxing authorities. If the judgments, estimates and assumptions we use in preparing our tax returns/ obligations are subsequently found to be incorrect, we could become involved in a dispute with the relevant authority, which in Brazil can involve prolonged evaluation periods and litigation before a final resolution is reached, and which introduces further uncertainty and risk with respect to our tax and related liabilities.

Litigation, proceedings or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial condition and results of operations.

We have been, and may in the future be, party to significant legal, arbitration and administrative proceedings arising in the ordinary course of our business or from extraordinary corporate, tax or regulatory events, involving our employees, customers or suppliers, or environmental, competition, tax or other governmental matters, particularly with respect to civil, tax and labor claims, and in connection with conflicts of interest and lending activities. In view of the inherent difficulty of predicting the outcome of such legal matters, particularly where the claimants seek very large or indeterminate damages, or where the cases present novel legal theories, involve a large number of parties or are in the early stages of investigation or discovery, we cannot state accurately what the eventual outcome of these pending matters will be. The amount of our provisions in respect to these matters may be substantially less than the total amount of the claims asserted against us, and, in light of the uncertainties involved in such claims and proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the provisions recorded by us. As a result, the outcome of a highly uncertain matter may become material to our operating results. As of December 31, 2024 and 2023, we had provisions for taxes, other legal contingencies and other provisions of US\$21.7 million and US\$8.1 million, respectively.

Our indemnities and insurance coverage may not cover all claims that may be asserted against us and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Furthermore, there is no guarantee that we will be successful in defending ourselves in future proceedings or similar matters under various laws. Should the ultimate judgments or settlements in any proceeding or investigation significantly exceed our indemnity rights and insurance coverage, they could have a material adverse effect on our business, financial condition and results of operations and the price of our Class A ordinary shares. Further, even if we adequately defend our case in a proceeding or court action, we may have to set aside significant financial and management resources to settle issues raised by such proceedings, which could adversely affect our business. For more information see “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

Our operations could be adversely affected by labor actions, disputes and other labor-related disruptions in the countries in which we operate.

We are subject to risks under applicable federal, state and municipal labor laws and regulations of the countries in which we operate, including potential legal disputes concerning which union applies to particular workers or the activities covered by a particular union, collective bargaining rights and compensation and other benefits, various issues arising from union agreements, potential labor reclassifications, and strikes, among others. Labor laws and regulations are complex, broad in scope and are often vague and differ vastly across states, countries and businesses and may require us to make interpretations of such laws and regulations, which may involve subjective factors or judgments. Further, these laws and regulations are subject to continuing and evolving interpretation by regulatory agencies, administrative law judges and courts. New or different interpretations of existing requirements, new laws or regulations or the enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or require us to make changes in our operations, facilities, equipment, personnel, compensation services, or operating expenses to comply with evolving requirements. While we continuously monitor the conditions mentioned above and actively seek optimal alternatives to assess the feasibility of implementing any necessary changes, we cannot guarantee that we will be able to make any such changes in a cost-efficient manner or at all.

We are subject to regulatory and administrative inspection, examinations and investigations.

The financial and payments industries face substantial regulatory risks and litigation. Like many firms operating within the financial and payments industries, we are experiencing a difficult regulatory environment across our markets. Increased regulatory oversight of the financial and payments industries generally, new laws and regulations affecting the financial industry and ever-changing regulatory interpretations of existing laws and regulations have made this an increasingly challenging and costly regulatory environment in which to operate. In Brazil specifically, the current regulatory and tax enforcement environment reflects an increased supervisory focus on enforcement, combined with uncertainty about the evolution of the regulatory regime, and may lead to material operational and compliance costs.

We may from time to time be subject to inspections, examinations or investigations by regulatory authorities, which could result in the identification of matters that may require remediation activities or enforcement proceedings by a regulator. The direct and indirect costs of responding to these examinations could be significant, and any examinations, investigations or litigation could result in settlements, awards, injunctions, fines and penalties and could have an adverse effect on our ability to offer some of our products and services.

As the regulatory framework for artificial intelligence evolves, our business, financial condition and results of operations may be adversely affected.

The European Union's adoption of the AI Act, which stands as the world's first comprehensive set of laws governing AI technologies, marks a pivotal shift in regulatory standards. This legislation is expected to influence and shape forthcoming AI-related laws and regulations across various jurisdictions worldwide. It is possible that new laws and regulations will be adopted, or existing laws and regulations may be interpreted in new ways, that would affect the operation of our platform and the way in which we use artificial intelligence and machine learning technology, including with respect to fair lending laws. We are continuously monitoring regulatory developments and actively engaging with stakeholders to effectively manage any business risks associated with these changes and involving ongoing assessments and adjustments to our processes, ensuring that we meet legal and ethical standards across all regions where we operate. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations. However, non-compliance could also negatively impact our reputation as well as our brand and customers' trust in us.

The integration of artificial intelligence tools into our operations presents significant intellectual property challenges. Determining intellectual property for artificial intelligence-generated content remains ambiguous, which may potentially lead to infringement claims. Using third-party artificial intelligence tools raises concerns about the origin of data and algorithms, which may lead to intellectual property infringements that could inadvertently implicate us. Artificial intelligence tools might also unintentionally access or use copyrighted materials, heightening our exposure to intellectual property disputes. As artificial intelligence tools continue to evolve, ensuring protection against intellectual property infringements becomes progressively more challenging.

We may face restrictions and penalties under the Brazilian Consumer Protection Code.

Brazil has a series of strict consumer protection statutes, collectively known as the Consumer Protection Code (*Código de Defesa do Consumidor*), that are intended to safeguard consumer interests and that apply to all companies in Brazil that supply products or services to Brazilian consumers. These consumer protection provisions include protection against misleading and deceptive advertising, protection against coercive or unfair business practices and protection in the formation and interpretation of contracts, usually in the form of civil liabilities and administrative penalties for violations. These penalties are often levied by the Brazilian Consumer Protection Agencies (*Fundação de Proteção e Defesa do Consumidor*, or “PROCONs”), which oversee consumer issues on a district-by-district basis. Companies that operate across Brazil may face penalties from multiple PROCONs, as well as the National Secretariat for Consumers (*Secretaria Nacional do Consumidor*, or “SENACON”). Companies may settle claims made by consumers via PROCONs by paying compensation for violations directly to consumers and through a mechanism that allows them to adjust their conduct, called a conduct adjustment agreement (*Termo de Ajustamento de Conduta*, or “TAC”). Brazilian Public Prosecutor Offices may also commence investigations related to consumer rights violations and this TAC mechanism is also available for them. Companies that violate TACs face potential automatic fines. Brazilian Public Prosecutor Offices may also file public civil actions against companies in violation of consumer rights, seeking strict observation of the consumer protection law provisions and compensation for the damages consumers may have suffered. As of December 31, 2024, we had approximately 27,830 active proceedings with PROCONs and small claims courts relating to consumer rights. To the extent customers file such claims against us in the future, we may face reduced revenue due to refunds and fines for non-compliance that could negatively impact our results of operations.

We expect that there will be additional proposed and adopted laws, regulations and industry standards concerning consumer protection in the jurisdictions in which we operate and jurisdictions into which we intend to expand in the future, including in Mexico and Colombia and elsewhere in Latin America.

Changes in international trade policies and international barriers to trade, or the emergence of a trade war, may have an adverse effect on our business.

Due to our dependence upon the performance of the economies in which we do business and the interconnectedness of the global economy, policy changes in one area of the world can have an immediate and material adverse impact on markets around the world. Changes in international trade policies, including: (i) changes to existing trade agreements; (ii) greater restrictions on free trade generally; and (iii) significant increases in customs duties and tariffs on goods imported into the United States and reciprocal actions by other countries, can adversely affect the economy of the countries where we operate and consequently our financial condition and operating results.

Recently, the U.S. has implemented a range of new tariffs and increases to existing tariffs. In response to the tariffs announced by the U.S., other countries have imposed, are considering imposing, and may in the future impose new or increased tariffs on certain exports from the United States. There is currently significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, taxes, government regulations and tariffs. and we cannot predict whether, and to what extent, current tariffs will continue or trade policies will change in the future. Tariffs, or the threat of tariffs or increased tariffs, could have a significant negative impact on certain businesses (either due to domestic businesses’ reliance on imported goods or dependence on access to foreign markets, or foreign businesses’ reliance on sales into the United States). In addition, retaliatory tariffs could have a significant negative impact on foreign businesses that rely on imports from the United States, and domestic businesses that rely on exporting goods internationally. The impact of these potential tariffs on our business and financial condition, if any, is subject to a number of factors that are not yet known, including the effective date and duration of such tariffs, the scope and nature of any tariffs, the amount of any tariffs, any countermeasures that the target countries may take in response to such tariffs. Given the significance of the commercial relationships between the United States and the countries where we operate, in particular Brazil, Mexico and Colombia, this situation may impact inflation trends and can result in additional uncertainty and volatility in international markets, which could negatively affect our financial condition and results of operations.

In addition to potential increases in customs duties and tariffs in the United States and other countries, the United States-Mexico-Canada Agreement ("USMCA") is subject to renewal in 2026. There can be no assurance that any newly negotiated terms in the USMCA will not adversely affect our business.

Risks Relating to the Countries in Which We Operate

Exchange rate and interest rate instability may have a material adverse effect on the economies of the countries in which we operate and the price of our Class A ordinary shares

The currencies of the countries in which we operate, most notably Brazil, Colombia and Mexico, have experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. In particular, the Brazilian government has implemented various economic plans and used various exchange rate policies to stabilize the real, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system, which plans and policies have had varying degrees of success. Exchange rate volatility could cause our costs to increase relative to our revenue, given that around 24% of our costs in the year ended December 31, 2024 were directly or indirectly linked to the U.S. dollar, whereas the majority of our revenue was denominated in *reais*.

Further, given that a majority of the revenue generated by our operations is denominated in reais, any revenue growth that we may experience may not be sufficient to offset adverse exchange rate fluctuations. Although long-term depreciation of the real is generally linked to the rate of inflation in Brazil, depreciation of the real occurring over shorter periods of time has resulted in significant variations in the exchange rate among the real, the U.S. dollar and other currencies. For further information, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Exchange Rates.”

Depreciation of the real relative to the U.S. dollar has created additional inflationary pressures in Brazil, which has led to increases in interest rates, limited Brazilian companies’ access to foreign financial markets and prompted the adoption of recessionary policies by the Brazilian government. Depreciation of the real may also, in the context of an economic slowdown, lead to decreased consumer spending, deflationary pressures and reduced growth of the Brazilian economy as a whole, and thereby harm our asset base, financial condition and results of operations. Additionally, depreciation of the real would make our foreign-currency-linked obligations and funding more expensive, negatively affect the market price of our securities portfolios and have similar consequences for our borrowers. Conversely, appreciation of the real relative to the U.S. dollar and other foreign currencies would lead to a deterioration of the Brazilian balance of payments, as well as dampen export-driven growth. Depending on the circumstances, either depreciation or appreciation of the real could materially and adversely affect the growth of the Brazilian economy and our business, financial condition and results of operations.

Disruption or volatility in global financial and credit markets could adversely affect the financial and economic environment in the countries in which we operate, most notably Brazil, Colombia and Mexico, which could have a material adverse effect on our business, financial condition and results of operations.

Our operations are dependent upon the performance of the economies in which we do business, and Latin American economies in particular. Crises and volatility in the financial markets of countries other than Brazil may affect the global financial markets and the Brazilian economy and may have a negative impact on our operations.

As an example, there have been concerns over conflicts, unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in volatility in oil and other markets. The United States and China have recently been involved in controversy over trade barriers in China that threatened a trade war between the countries and have implemented or proposed to implement tariffs on certain imported products. Sustained tension between the United States and China over trade policies could significantly undermine the stability of the global economy and financial markets. The ongoing military conflict between the Russian Federation and Ukraine that started in 2022 is contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions. The global economy was also adversely affected by the ongoing conflict in the Middle East, which started in the second half of 2023. The war is causing a humanitarian crisis in the Gaza Strip and could lead to an escalation of the conflict in the region, rise in oil and gas prices, more inflationary pressures and market volatility. In tandem with the appreciation of the U.S. dollar, these increases could cause greater inflationary pressures and may hinder the Brazilian, Mexican or Colombian economic growth. Additionally, the conflict has an impact on the global agricultural commodity supply, such that if grain prices rise due to increased demand, demand for Brazilian output could rise, given the country's high production capacity and the resulting possibility of negotiating for more competitive prices, increasing export taxes and raising domestic prices, which would generate greater inflationary pressures. The conflict could also influence and change the export policies in the countries where we operate, which could adversely impact the local economy and, consequently, the capital market and diplomatic relationships between countries other than those directly involved. Furthermore, we have seen increased geopolitical risks in 2024, including escalated tensions in the Red Sea impacting global shipping and increased uncertainty surrounding AI technologies and regulation. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Volatility and uncertainty in global financial and credit markets have generally led to a decrease in liquidity and an increase in the cost of funding for Brazilian and international issuers and borrowers. Such conditions may adversely affect our ability to access capital and liquidity on financial terms that are acceptable, if at all. If we are unable to access capital and liquidity on financial terms acceptable to us or at all, our financial condition and the results of our operations may be adversely affected. In addition, the economic and market conditions of other countries, including the United States, countries in the EU and emerging markets, may affect the volume of foreign investments in Brazil. If the level of foreign investment declines, our access to capital may likewise decline, which could negatively affect our business, ability to take advantage of strategic opportunities and, ultimately, the trading price of our Class A ordinary shares.

Further, the demand for credit and financial services, as well as our customers’ ability to make payments and deposits, is directly impacted by macroeconomic variables, such as economic growth, income, unemployment rates, inflation and fluctuations in interest and foreign exchange rates. Disruptions and volatility in the global financial markets may have significant consequences in the countries in which we operate, such as volatility in the prices of securities, interest rates and foreign exchange rates. Higher uncertainty and volatility may result in a slowdown in the credit market and the economy, which, in turn, could lead to higher unemployment rates and a reduction in the purchasing power of consumers. Such events may significantly impair our customers’ ability to perform their obligations and increase overdue or non-performing loans, resulting in an increase in the risk associated with our lending activity.

Governments have exercised, and continue to exercise, significant influence over the economy in the countries in which we operate. This influence, as well as political and economic conditions in the countries in which we operate, could harm our business, financial condition and results of operations and the price of our Class A ordinary shares.

Governments in many of the markets in which we currently, or may in the future, operate frequently exercise significant influence over their respective economies and occasionally make significant changes in policy and regulations. Government actions to control inflation and other policies and regulations have often involved, among other measures, increases or decreases in interest rates, changes in fiscal policies, wage and price controls, foreign exchange rate controls, blocking access to banking accounts, currency devaluations, capital controls and import and export restrictions. We have no control over and cannot predict what measures or policies governments may take in the future. Our business and the market price of our Class A ordinary shares may be harmed by changes in government policies, as well as general economic factors, including, without limitation:

- growth or downturn of the relevant economy;
- interest rates and monetary policies;
- exchange rates and currency fluctuations;
- inflation;
- liquidity of the domestic capital and loan markets;
- import and export controls;
- exchange controls and restrictions on remittances abroad and payments of dividends;
- modifications to laws and regulations according to political, social and economic interests;
- fiscal policy, and changes in tax laws;

- economic, political and social instability, including general strikes and mass demonstrations;
- labor and social security regulations;
- energy and water shortages and rationing;
- the outbreak of any communicable diseases or any other public health crises;
- commodity prices; and
- other political, diplomatic, social and economic developments in or affecting the countries in which we operate.

Uncertainty over whether Brazil and other Latin American governments will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in Latin America, which may have an adverse effect on our activities and consequently our results of operations, and may also adversely affect the trading price of our Class A ordinary shares.

In particular, Latin America’s political environment has historically influenced, and continues to influence, the performance of the region’s economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities offered by companies with significant operations in Brazil and other Latin American countries. The recent economic instability in Latin America has contributed to a decline in market confidence in the Latin American economies as well as to a deteriorating political environment.

As has been true in the past, the current political and economic environment in Brazil, Mexico, Colombia, and certain other Latin American countries has and is continuing to affect the confidence of investors and the general public, which has historically resulted in economic deceleration and heightened volatility in the securities offered by companies with significant operations in such countries, which may adversely affect us and our Class A ordinary shares.

Changes made by the Central Bank of Brazil in the basic interest rate could materially adversely affect our operating results and financial condition.

Our business is conducted primarily in Brazil, where the Monetary Policy Committee of the Central Bank of Brazil, or “COPOM”, sets the target basic interest rate for the Brazilian banking system and makes changes in this rate as an instrument of monetary policy. The basic interest rate is the adjusted average rate of daily financing calculated in the Special System for Settlement and Custody, or “SELIC”, for federal bonds. Variations in the basic interest rate can be harmful to us, causing, among other effects, a reduction in the demand for our credit and investment products, an increase in the cost of raising funds and the risk of default by our customers, all of which could adversely affect us.

Political instability in Brazil, Mexico and Colombia may adversely affect our business, results of operations and the trading price of our shares.

Latin American economic, political and social conditions may adversely affect our business. In 2022, the Latin America region underwent political and governmental shifts towards anti-capitalist political agendas. In the countries where we operate (Brazil, Mexico and Colombia), the changes of government have generated greater uncertainty about their economic and social stability. Our financial performance may be significantly affected not only by general economic, political and social conditions in Brazil but also in other markets where we operate or intend to operate, including Mexico and Colombia.

Brazil

In Brazil, Luis Inácio Lula da Silva, or “Lula,” was elected president in October 2022, for a four-year term starting in January 2023. Lula’s first days in office were impacted by the largest protests against democratic institutions in the history of Brazil. Certain groups formed by extreme supporters of the defeated candidate (former president Jair Messias Bolsonaro) performed acts of civil unrest and stormed into Brazil’s Supreme Court, Congress and Presidency buildings, conducting acts of violence and destruction. Although extreme and concerning, we have not seen a deterioration of Brazilian governmental institutions nor of the political environment overall.

Following this episode, the new administration secured a broad coalition to reelect both speakers of the Congress. In early February 2025, new presidents were elected for both the Chamber of Deputies and the Senate in Brazil. The new congressional leadership may influence legislative priorities and the regulatory environment, potentially leading to shifts in policy that could affect our business activities. Given the instability of the current political scenario in Brazil, we cannot provide any assurances that political developments, over which we have no control, will not affect the Brazilian economy and consequently our business and results of operations.

The president of Brazil has the power to determine policies and issue governmental acts related to the Brazilian economy that affect the operations and financial performance of companies, including us. For example, through the CMN and the Central Bank of Brazil, the Brazilian government introduces measures to control inflation that affect liquidity, financing strategy, loan growth or even our profitability, as well as the solvency of our clients and end consumers.

Within the scope of his responsibilities as president of Brazil, Lula has appointed Gabriel Galípolo as the new president for the Central Bank of Brazil for a four-year term, starting in January 2025. As this position holds significant influence over monetary policy and economic regulation within the country, changes in leadership can result in shifts in policy direction. We cannot predict which policies the new president will adopt or if these policies or changes in current policies may have an adverse effect on us or the Brazilian economy and regulatory landscape.

Mexico

Mexican political events may also affect our business operations. In Mexico, changes to the political direction of the country have been a determining factor in business investment. Significant changes in laws, public policies and/or regulations could affect Mexico’s political and economic situation, which could, in turn, adversely affect our business.

The current President’s political party and its allies hold a majority in the Chamber of Deputies (*Cámara de Diputados*) and the Senate (*Senado de la República*) and a strong influence in the majority of local legislatures. The federal administration has significant power to implement substantial changes in law, policy, and regulations in Mexico, including Constitutional reforms, which could affect our business, results of operations, financial condition, and prospects. We cannot predict whether potential changes in Mexican governmental and economic policy could adversely affect Mexico’s economic conditions or the sector in which we operate. We cannot provide any assurances that political developments in Mexico, over which we have no control, will not have an adverse effect on our business, results of operations, financial condition, and prospects.

Should the government's agenda result in social and political instability, our business, financial condition, and results of operations, as well as market conditions and prices of our securities could be adversely affected. These and other future developments in the Mexican political or social environment may cause disruptions to our business operations and decreases in our sales and net income.

Colombia

Beginning in November 2019 and more recently in 2021, Colombia has experienced civic unrest, including a national strike and anti-government protests. Demonstrators in the country, protesting for several reasons, including opposing certain economic and political reforms proposed by the administration of President Duque, public corruption, and the implementation of the peace agreement between Colombia and the guerrilla Fuerzas Armadas Revolucionarias de Colombia (FARC). In addition, protestors have demanded reforms related to pensions, access to education, environmental protection and inequality, among others. We cannot predict the policies that will be adopted by the Colombian government and whether those policies would have a negative impact on the Colombian economy or our business and financial performance. Our Colombian operations could be adversely impacted by rapidly changing economic, political and social conditions in Colombia and by the Colombian government's response to such conditions. On June 16, 2022, Colombia elected the left-wing candidate Gustavo Petro as President. Gustavo Petro has announced plans to increase government intervention, reduce oil production, and impose higher taxes on oil companies; measures that could adversely affect the economy overall and potentially impact our business and financial performance.

Developments and changes in investors' perception of risk in other countries, especially in the United States, Europe and other emerging countries, may materially and adversely affect the Brazilian economy and the market value of Brazilian securities, including our Class A shares.

The market value of securities issued by Brazilian companies is influenced, to varying degrees, by economic and market conditions in other countries, including countries in Latin America, Asia, Europe, and the United States. Investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian companies. Crises in Brazil and in these countries may reduce investor interest in securities issued by Brazilian companies, including securities issued by us. In the past, the development of adverse economic conditions in other countries considered as emerging markets resulted, in general, in the outflow of investments and, consequently, in the reduction of external resources invested in Brazil. Any of the events mentioned above could affect the market value of the securities issued by us, in addition to making it difficult for us to access the capital market and finance our operations in the future, in acceptable or absolute terms.

The levels of economic growth in the countries where we operate have a material impact on our business, financial condition and results of operations.

Our performance depends on the overall health and growth of the economies in the countries in which we operate. Brazilian GDP growth has fluctuated over the past years, growing 3.0% in 2022, 3.2% in 2023 and 3.4% in 2024, according to the most recent and reviewed data from IBGE. Growth is limited by inadequate infrastructure, including potential energy shortages and deficient transportation, logistics and telecommunication sectors, general strikes, the lack of a qualified labor force and the lack of private and public investments in these areas, which limit productivity and efficiency. Any of these factors could lead to labor market volatility and generally impact income, purchasing power and consumption levels, which could limit growth and ultimately have a material adverse effect on us.

Due to our increasingly growing operations in Mexico and Colombia, our business, financial condition and/or results of operations may be affected by general economic conditions, depreciations or devaluations of the Mexican peso and Colombian peso against the U.S. dollar, price volatility, inflation, interest rates, changes in taxation and regulation, crime rates and other economic, political or social developments in or affecting these countries, over which we have no control.

According to the Mexican National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía* – INEGI), in 2022, 2023 and 2024 the Mexican GDP grew 3.7%, 3.3% and 1.5% respectively. Moreover, in the past, Mexico has experienced economic crises and prolonged periods of slow economic growth, caused by internal and external factors over which we have no control. We cannot give any assurance that those conditions will not return in the future or that, if they do, they will not have a material adverse effect on our business, financial condition and/or result of operations.

According to the National Administrative Department of Statistics (DANE), in 2022, 2023 and 2024 the Colombian GDP grew 7.3%, 0.7% and 1.7% respectively. Inflation in Colombia can negatively impact our business as we may not be able to pass through price increases to our customers, which could negatively impact our financial results.

Inflation and certain government measures to curb inflation have historically harmed the economies and capital markets in some of the countries in which we operate, including Brazil, Mexico and Colombia and high levels of inflation in the future could harm our business and the price of our Class A ordinary shares.

In the past, high levels of inflation have adversely affected the economies and capital markets of some of the countries in which we operate and have hampered the ability of their governments to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and market speculation about possible future governmental measures have contributed to the negative economic impact of inflation and have created general economic uncertainty and heightened volatility in the capital markets. Such measures have at times involved restrictive monetary policies and high interest rates that have limited the availability of credit and economic growth.

The current economic environment in Brazil of rising interest rates, depreciation of the Brazilian real, and the implementation of an uncertain fiscal adjustment plan, presents a scenario of uncertainty that could potentially impact our operations and financial performance. The Brazilian government has yet to present a fiscal adjustment plan whose effectiveness has been positively accepted by the market, adding to the uncertainty. Proposed measures such as spending cuts may not be sufficient to control the fiscal deficit, and potential tax increases could stifle economic growth. These factors collectively create a scenario of unpredictability that may affect our financial condition, results of operations, and strategic planning.

For example, according to Brazil’s Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*, or the “IPCA index”), Brazil recorded inflation of 4.4% in 2024, 4.6% in 2023 and 5.8% in 2022. Measures adopted by the Brazilian government to control inflation have included the maintenance of a restrictive monetary policy with high interest rates, thereby limiting the availability of credit and reducing economic growth. Furthermore, the official interest rate (Selic) is set by the Monetary Policy Committee, or “COPOM,” formed by the Chairman and officers of the Central Bank of Brazil, every 45 days. The Selic reached 13.75% on August 3, 2022, due to concerns with inflationary pressures. On September 21, 2023, the Selic rate was reduced to 13.25% then successively further reduced until reaching 10.50% on June 20, 2024, where it remained until December 12, 2024, when this trend was reversed and the Selic rate was raised to 11.25%. As of the date of this annual report, the Selic rate was 14.25%. Inflation and certain governmental actions to curb inflation, together with the speculation about governmental measures to be adopted, have materially and adversely affected the Brazilian economy and contributed to economic uncertainty in Brazil, heightening volatility in the Brazilian capital markets.

Likewise, the Mexican economy has been characterized by high interest rates in both real and nominal terms. In 2024 and 2023, the average interest rate for 28-day Mexican Treasury bills (CETES) was approximately 10.7% and 11.1% per year, respectively. The Mexican peso exchange rate experienced significant depreciation in 2023, followed by slight appreciation, with average exchange rates of 17.7 and 18.3 Mexican pesos per U.S. dollars for the respective years.

The average annual rate of inflation in Colombia for the past ten years has been 5.69%. As reported by the Colombian Central Bank, the annual consumer price index, the measure of inflation, for the year ended December 31, 2024 and the years ended December 31, 2023 and 2022 was 5.2%, 9.3% and 13.1%, respectively. The decrease in inflation in 2024 was mainly due to smaller increases in the prices of some regulated goods and services (utilities and fuels) and food. However, inflation is still above the goal of 3.0% set by the Colombian Central Bank. Inflation impacts the prices of goods, raw materials and local interest rates as a result of government measures to control inflation.

Higher interest rates may increase our borrowing costs and affect our ability to finance operations and invest in growth opportunities. The depreciation of the Brazilian real, Mexican peso, or Colombian peso could lead to higher operational expenses, especially if we rely on imported goods or services priced in foreign currencies.

Any future measures adopted by the governments of the countries in which we operate, including a reduction in interest rates, intervention in the exchange market or the implementation of mechanisms to adjust or determine the value of the relevant local currency, may trigger inflation, adversely affecting the overall performance of the relevant country's economy. If Brazil, Mexico, or Colombia face significant inflation or deflation, we and our ability to meet our obligations may be adversely affected. These pressures could also affect our access to international financial markets. If the countries in which we operate experience high inflation in the future, we may be unable to adjust the prices we charge our customers in order to offset the effects of inflation on our cost structure, which could increase our costs and reduce our operating margins.

Moreover, in the event of increased inflation, governments may choose to significantly increase official interest rates. The increase in interest rates may affect not only the cost of our new borrowings and financing, but also the cost of our current indebtedness, as well as our cash and cash equivalents, securities and lease agreements payable, which are subject to interest rates. Such events would likely materially adversely affect our results of operations.

Any further downgrading of Brazil’s credit rating could depress the trading price of our Class A ordinary shares.

We may be harmed by investors’ perceptions of risks related to Brazil’s sovereign debt credit rating. Rating agencies regularly evaluate Brazil and its sovereign credit ratings, which are based on a number of factors including macroeconomic trends, fiscal and budgetary conditions, indebtedness metrics and the potential for changes in any of these factors.

Brazil started receiving evaluations from all three major rating agencies from 1994 on, achieving investment-grade status between 2008 and 2009. However, after 2015, due to the deterioration of certain economic fundamentals, the agencies began to downgrade Brazil’s sovereign credit, as detailed below:

- Standard & Poor’s initially downgraded Brazil’s credit rating from BBB-negative to BB-positive and subsequently downgraded it again from BB-positive to BB, maintaining its negative outlook, citing a worse credit situation since the first downgrade. On January 11, 2018, Standard & Poor’s further downgraded Brazil’s credit rating from BB to BB-stable, which was reaffirmed on June 14, 2022. On December 19, 2023, Standard & Poor’s increased Brazil’s credit rating to BB stable.
- In December 2015, Moody’s placed Brazil’s Baa3’s issue and bond ratings under review for downgrade and subsequently downgraded the issue and bond ratings to below investment grade, at Ba2 with a negative outlook, citing the prospect of a further deterioration in Brazil’s debt indicators, taking into account the low growth environment and the challenging political scenario. On April 12, 2022, Moody’s maintained Brazil’s credit rating at Ba2-stable. In October, 2024, Moody’s upgraded Brazil’s credit rating to Ba1 with a positive outlook.
- Fitch downgraded Brazil’s sovereign credit rating to BB-positive with a negative outlook, citing the rapid expansion of the country’s budget deficit and the worse-than-expected recession. In February 2018, Fitch downgraded Brazil’s sovereign credit rating again to BB-negative, citing, among other factors, fiscal deficits, the increasing burden of public debt and an inability to implement reforms that would structurally improve Brazil’s public finances. On December 20, 2022, Fitch reaffirmed Brazil’s credit rating at BB-negative. On July 26, 2023, Fitch upgraded Brazil’s credit rating from BB- to BB and changed its outlook to stable, reaffirming the same position in June, 2024.

With Brazil’s sovereign credit rated below investment grade by the major rating agencies, the prices of securities offered by companies with significant operations in Brazil have been negatively affected. A worsening of the fiscal conditions or continued political uncertainty, among other factors, could lead to further ratings downgrades. Any further downgrade of Brazil’s sovereign credit ratings could heighten investors’ perception of risk and, as a result, cause the trading price of our Class A ordinary shares to decline.

Allegations of corruption against the government, politicians, and the private sector in the countries where we operate could create economic and political uncertainty and could expose us to additional credit risk.

Allegations of corruption against the government, politicians, and the private sector in the countries where we operate could create economic and political uncertainty. For example, findings or convictions of illicit conduct committed by such entities, including government personnel, or alleged wrongdoings, could have adverse effects on the political and economic stability of the countries where Nu operates. These adverse political and economic effects may negatively impact our business, by depressing business volumes, reducing our ability to recover amounts we have lent to persons or projects involved in illicit or allegedly illicit conduct.

Risks Relating to Our Class A Ordinary Shares

An active trading market for our Class A ordinary shares may not be sustainable. If an active trading market is not maintained, you may not be able to sell your shares and you could lose a significant part of your investment.

Although our Class A ordinary shares are listed and traded on NYSE, an active trading market for our shares may not be maintained. If an active market for our Class A ordinary shares is not sustained, you may have difficulty selling any of our Class A ordinary shares that you buy. Further, the market price of our Class A ordinary shares may be materially and adversely affected if an active trading market is not maintained.

The market price of our Class A ordinary shares may be influenced by many factors, some of which are beyond our control, including:

- announcements by us or our competitors of significant developments;
- technological innovations by us or competitors;
- the failure of financial analysts to cover our Class A ordinary shares or changes in financial estimates by analysts;
- changes in financial estimates by financial analysts, or any failure by us to meet or exceed any of these estimates, or changes in the recommendations of any financial analysts that elect to follow our Class A ordinary shares or the shares of our competitors;
- actual or anticipated variations in our operating results;
- future sales of our shares; and
- investor perceptions of us and the industries in which we operate.

In addition, the stock market in general has experienced substantial price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of particular companies affected. These broad market and industry factors may materially harm the market price of our Class A ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of certain companies’ securities, securities class action litigation has been instituted against these companies. This litigation, if instituted against us, could adversely affect our financial condition or results of operations.

Our founding shareholder and CEO David Vélez owns 88.6% of our outstanding Class B ordinary shares, which represents 75.2% of the voting power of our issued share capital. This concentration of ownership and voting power may limit your ability to influence corporate matters.

David Vélez, our founding shareholder, chairman and chief executive officer, continues to control our Company through his beneficial ownership of 88.6% of our outstanding Class B ordinary shares, and consequently, 75.2% of the combined voting power of our issued share capital. Our Class B ordinary shares are entitled to 20 votes per share and our Class A ordinary shares are entitled to one vote per share. Our Class B ordinary shares are convertible into an equivalent number of Class A ordinary shares. As a result, so long as David Vélez beneficially owns 58.5% of the outstanding Class B ordinary shares, even if he beneficially owns significantly less than 50% of our outstanding share capital, he will be able to effectively control our decisions and will be able to elect a majority of the members of our board of directors. David Vélez will also be able to direct our actions in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses, and may cause us to make acquisitions that increase the amount of our indebtedness or number of outstanding Class A ordinary shares, sell revenue-generating assets or inhibit change of control transactions that may benefit other shareholders. In addition, we have entered into a Shareholder’s Agreement with David Vélez pursuant to which we have granted him the right to nominate directors to our board and committees, rights to information, and rights to approve certain of our corporate actions. See “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Shareholder’s Agreement.” The decisions of David Vélez on these matters may be contrary to your expectations or preferences, and they may take actions that could be contrary to your interests. For further information regarding shareholdings in our company, see “Item 7. Major Shareholders and Related-Party Transactions—A. Major Shareholders”.

We have granted the holders of our Class B ordinary shares preemptive rights to acquire shares that we may sell in the future, which may impair our ability to raise funds.

Under our Memorandum and Articles of Association, the holders of our Class B ordinary shares are entitled to preemptive rights to purchase additional ordinary shares in the event that there is an increase in our share capital and additional ordinary shares are issued, upon the same economic terms and at the same price, in order to maintain their proportional ownership interests, which is approximately 25.0% of our outstanding shares. The exercise by holders of our Class B ordinary shares of their preemptive rights may impair our ability to raise funds, or adversely affect the terms on which we are able to raise funds, as we may not be able to offer to new investors the quantity of our shares that they may desire to purchase. For more information see “Item 10. Additional Information—B. Memorandum and Articles of Association—Ordinary Shares—Preemptive or Similar Rights”.

Future sales of a substantial number of our Class A ordinary shares or the perception that such sales could occur, could cause the price of our Class A ordinary shares to decline.

The market price of our Class A ordinary shares could decline as a result of substantial sales of our Class A ordinary shares, particularly sales by our directors, executive officers and significant shareholders, a large number of Class A ordinary shares becoming available for sale or the perception in the market that such sales could occur. As of December 31, 2024, we have approximately 3,768,057,942 Class A ordinary shares outstanding, and 1,050,600,698 Class B ordinary shares outstanding. The Class A ordinary shares are freely tradable without restriction or further registration under the Securities Act by persons other than our affiliates within the meaning of Rule 144 of the Securities Act.

Our shareholders or entities controlled by them or their permitted transferees are able to sell their Class A ordinary shares, in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC, as applicable. If any of our shareholders, the affiliated entities controlled by them or their respective permitted transferees were to sell a large number of their Class A ordinary shares, the market price of our Class A ordinary shares may decline significantly. In addition, the perception in the public markets that sales by them might occur may also cause the trading price of our Class A ordinary shares to decline.



Sales of a substantial number of our Class A ordinary shares, or the perception that such sales may occur, could cause the trading price of our Class A ordinary shares to fall or make it more difficult for you to sell your Class A ordinary shares at a time and price that you deem appropriate.

Our Memorandum and Articles of Association and the Shareholder’s Agreement contain anti-takeover provisions, and the Central Bank of Brazil imposes certain restrictions and requirements, which may discourage a third-party from acquiring us and adversely affect the rights of holders of our Class A ordinary shares.

Our Memorandum and Articles of Association and the Shareholder’s Agreement contain certain provisions that could limit the ability of others to acquire control of our company, including provisions that:

- authorize our board of directors to issue, without further action by the shareholders, undesignated preferred shares with terms, rights and preferences determined by our board of directors that may be senior to our Class A ordinary shares;
- institute a staggered board of directors and restrictions on our shareholders to fill a vacancy on the board of directors;
- impose advance notice requirements for shareholder proposals;
- limit our shareholders’ ability to call special meetings;
- require approval from the holders of at least two-thirds in voting power of all outstanding shares entitled to vote thereon to amend a provision of our Memorandum and Articles of Association;
- condition any change of control of our company on the consent of the holders of a majority of the Class B ordinary shares in issue; and
- provides our founding shareholder, David Vélez, so long as our founding shareholder and his affiliates beneficially own shares accounting for at least 40% of the voting power of our issued share capital, the ability to designate a majority of the members of our board of directors, as described in “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Shareholder’s Agreement.”

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also make it more difficult for you and other shareholders to elect directors of your choosing and cause us to take other corporate actions that you desire.

In addition, certain of our subsidiaries are Brazilian financial institutions (including Nu Financeira and Nu Investimentos) and certain are Brazilian payment institutions (including Nu Pagamentos), all of which are regulated by the Central Bank of Brazil. Any proposed change of control of a financial or payment institution must be submitted to and conditioned upon approval from the Central Bank of Brazil. Further, if a person that is not the controlling shareholder of such an institution acquires more than 15% of the voting equity capital or more than 10% of the total equity capital of a financial or payment institution, directly or indirectly (in each case, a “Qualified Equity Participation”), any such acquisition must be submitted to the Central Bank of Brazil, which has the right to request documents and information, and can demand that the acquisition be modified or undone in case of any irregularities. This rule also applies to any expansion of a Qualified Equity Participation. Such rules and regulations of the Central Bank of Brazil could likewise discourage, delay or prevent a transaction involving a change in control of our financial or payment institution subsidiaries, and could make it difficult for you and other shareholders to cause us to take corporate actions that you desire.

Our dual class capital structure means that our shares are not eligible to be included in certain indices. We cannot predict the impact this may have on the trading price of our Class A ordinary shares.

In 2017, FTSE Russell and S&P Dow Jones announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices to exclude companies with multiple classes of shares, such as ours, from being added to such indices. In 2023, S&P Dow Jones updated the share class eligibility rule to allow companies with multiple share class structures to be included in the S&P Composite 1500 Index and its component indices, including the S&P 500. Other indices may have limitations on inclusion based on multiple share class structures. Under the announced policies, our dual class capital structure is not eligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not invest in our shares. It continues to be somewhat unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from the indices, but in certain situations they may depress these valuations compared to those of other similar companies that are included. Exclusion from indices could make our Class A ordinary shares less attractive to investors and, as a result, the market price of our Class A ordinary shares could be adversely affected.

If securities or industry analysts do not continue to publish research, or publish inaccurate or unfavorable research, about our business, the price of our Class A ordinary shares and our trading volume could decline.

The trading market for our Class A ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Class A ordinary shares or publish inaccurate or unfavorable research about our business, the price of our Class A ordinary shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Class A ordinary shares could decrease, which might cause the price of our Class A ordinary shares and trading volume to decline.

We may not pay any cash dividends in the foreseeable future.

The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements, and other factors as our board of directors considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend. In addition, we are governed by the laws of the Cayman Islands and our Memorandum and Articles of Association, under which there is no minimum mandatory dividend payable to our shareholders and no established periodicity for the distribution of dividends.

As a foreign private issuer, we have different disclosure and other requirements than U.S. domestic registrants.

As a foreign private issuer we may be subject to different disclosure and other requirements than domestic U.S. registrants. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we intend to rely on exemptions from certain U.S. rules which will permit us to follow Cayman Islands legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants. However, Cayman Islands laws and regulations applicable to Cayman Islands companies do not contain any provisions comparable to the U.S. proxy rules, the U.S. rules relating to the filing of reports on Form 10-Q or 8-K or the U.S. rules relating to liability for insiders who profit from trades made in a short period of time.

Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information, although we will be subject to Cayman Islands laws and regulations having substantially the same effect as Regulation Fair Disclosure. As a result of the above, even though we are required to file reports on Form 6-K disclosing the limited information which we have made or are required to make public pursuant to Cayman Islands law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or within the same time frames as U.S. companies with securities registered under the Exchange Act. We currently prepare our financial statements in accordance with IFRS Accounting Standards. We will not be required to file financial statements prepared in accordance with or reconciled to U.S. GAAP so long as our financial statements are prepared in accordance with IFRS Accounting Standards.

We cannot predict if investors will find our Class A ordinary shares less attractive because we rely on these exemptions. If some investors find our Class A ordinary shares less attractive as a result, there may be a less active and more volatile trading market for our Class A ordinary shares.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur additional legal, accounting and other expenses.

In order to maintain our current status as a foreign private issuer, either (a) more than 50% of the voting power of all our outstanding classes of voting securities (on a combined basis) must be either directly or indirectly owned of record by non-residents of the United States or (b)(1) a majority of our executive officers or directors must not be U.S. citizens or residents; (2) more than 50% of our assets cannot be located in the United States; and (3) our business must be administered principally outside the United States. If we lose this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and NYSE rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the costs we will incur as a foreign private issuer.

As a foreign private issuer, we rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer’s directors consist of independent directors. This may afford less protection to holders of our Class A ordinary shares.

NYSE rules require listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to follow, and we do follow, home country practice in lieu of the above requirements. See “Item 16G. Corporate Governance—Principal Differences between Cayman Islands and U.S. Corporate Law.”

We are a “controlled company” within the meaning of the NYSE listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to shareholders of companies that are subject to such requirements.

David Vélez controls a majority of the voting power of our shares. As a result, we are a “controlled company” within the meaning of the NYSE listing standards. Under these rules, a company of which more than 50% of the voting power is held by an individual, a group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements of the NYSE, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities and (3) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. We rely and intend to continue to rely on some or all of these exemptions. As a result, we do not have a stand-alone nominating and corporate governance committee, and our Compensation and People Committee is not required to consist entirely of independent directors. Accordingly, you will not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our Memorandum and Articles of Association designate the Grand Court of the Cayman Islands as the exclusive forum for substantially all disputes between us and our shareholders, and the federal district courts of the United States as the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act, which could limit our shareholders’ ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our Memorandum and Articles of Association provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or any other person, (iii) any action or proceeding arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Companies Act, our Memorandum and Articles of Association, or any other provision of applicable law, (iv) any action or proceeding seeking to interpret, apply, enforce or determine the validity of our Memorandum and Articles of Association or (v) any action or proceeding as to which the Companies Act confers jurisdiction on the Grand Court of the Cayman Islands shall be the Grand Court of the Cayman Islands, in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our Memorandum and Articles of Association also provide that the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act. Nothing in our Memorandum and Articles of Association preclude shareholders that assert claims under the Exchange Act from bringing such claims in any court, subject to applicable law. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to these provisions. However, shareholders are not deemed to have waived our compliance with U.S. federal securities laws and the rules and regulations thereunder. These exclusive forum provisions may limit a shareholder’s ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. The enforceability of similar choice of forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, courts in other states may still find these provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provisions in our Memorandum and Articles of Association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could adversely affect our results of operations.

We are a Cayman Islands exempted company with limited liability. The rights of our shareholders, including with respect to fiduciary duties and corporate opportunities, may be different from the rights of shareholders governed by the laws of U.S. jurisdictions.

We are a Cayman Islands exempted company with limited liability. Our corporate affairs are governed by our Memorandum and Articles of Association and by the laws of the Cayman Islands. The rights of our shareholders and the responsibilities of members of our board of directors may be different from the rights of shareholders and responsibilities of directors in companies governed by the laws of U.S. jurisdictions. In particular, as a matter of Cayman Islands law, directors of a Cayman Islands company owe fiduciary duties to the company and separately a duty of care, diligence and skill to the company. Under Cayman Islands law, directors and officers owe the following fiduciary duties: (1) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole; (2) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (3) directors should not properly fetter the exercise of future discretion; (4) duty to exercise powers fairly as between different sections of shareholders; (5) duty to exercise independent judgment; and (6) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests. Our Memorandum and Articles of Association have varied this last obligation by providing that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or the listing rules of the NYSE, and unless (x) disqualified by the chairman of the relevant meeting or (y) such interest is material, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting. Conversely, under Delaware corporate law, a director has a fiduciary duty to the corporation and its shareholders (made up of two components) and the director’s duties prohibit self-dealing by a director and mandate that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. See “Item 16G. Corporate Governance—Principal Differences between Cayman Islands and U.S. Corporate Law.”

Our shareholders may face difficulties in protecting their interests because we are a Cayman Islands exempted company.

Our corporate affairs are governed by our Memorandum and Articles of Association, by the Companies Act (as amended) of the Cayman Islands, or the “Companies Act,” and the common law of the Cayman Islands. The rights of our shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a significantly less exhaustive body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fulsome and judicially interpreted bodies of corporate law than the Cayman Islands.

Specifically, subject to limited exceptions, under Cayman Islands’ law, a minority shareholder may not bring a derivative action against the board of directors. Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar. Further, while Cayman Islands law allows a dissenting shareholder to express the shareholder’s view that a court sanctioned reorganization of a Cayman Islands company would not provide fair value for the shareholder’s shares, Cayman Islands statutory law does not specifically provide for shareholder appraisal rights in connection with a court sanctioned reorganization (by way of a scheme of arrangement). This may make it more difficult for you to assess the value of any consideration you may receive in a corporate reorganization (approved by way of a scheme of arrangement) or to require that the acquirer gives you additional consideration if you believe the consideration offered is insufficient. However, the Companies Act does provide a mechanism for a dissenting shareholder in a statutory merger or consolidation to apply to the Grand Court of the Cayman Islands for a determination of the fair value of the dissenter’s shares if it is not possible for the company and the dissenter to agree on the fair value of such shares within the time limits prescribed by the Companies Act.

In addition, shareholders of Cayman Islands exempted companies have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our Memorandum and Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain information needed to establish any facts necessary for a shareholder motion.

United States civil liabilities and certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. In addition, certain of our directors and officers are nationals and residents of countries other than the United States, and a substantial portion of the assets of these persons is located outside of the United States. As a result, it may be difficult to effect service of process within the United States upon these persons. It may also be difficult to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors who are not resident in the United States and the substantial majority of whose assets are located outside of the United States.

Further, it is unclear if original actions predicated on civil liabilities based solely upon U.S. federal securities laws are enforceable in courts outside the United States, including in the Cayman Islands and Brazil. Courts of the Cayman Islands may not, in an original action in the Cayman Islands, recognize or enforce judgments of U.S. courts predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States on the grounds that such provisions are penal in nature. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, courts of the Cayman Islands will recognize and enforce a foreign judgment of a court of competent jurisdiction if such judgment is final and conclusive and for a liquidated sum, provided it is not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands’ judgment in respect of the same matters, and was not obtained by fraud or in a manner which is contrary to the public policy of the Cayman Islands. In addition, a Cayman Islands court may stay proceedings if concurrent proceedings are being brought elsewhere.

Judgments of Brazilian courts to enforce our obligations with respect to our Class A ordinary shares may be payable only in reais.

Most of our assets are located in Brazil. If proceedings are brought in the courts of Brazil seeking to enforce our obligations in respect of our Class A ordinary shares, we may not be required to discharge our obligations in a currency other than reais. Under Brazilian exchange control laws, an obligation in Brazil to pay amounts denominated in a currency other than reais may only be satisfied in Brazilian currency at the exchange rate, typically as determined by the Central Bank of Brazil, in effect on the date the judgment is obtained, and such amounts are then typically adjusted to reflect exchange rate variations and monetary restatements through the effective payment date. The then-prevailing exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of or related to our obligations under the Class A ordinary shares.

Risks Relating to Intellectual Property, Privacy and Cybersecurity

Unauthorized disclosure of sensitive or confidential customer information or our failure or the perception by our customers that we failed to comply with privacy laws or properly address privacy concerns could harm our reputation, business, financial condition and results of operations

We collect, store, handle, transmit, use and otherwise process certain personal information and other customer data in our business. A significant risk associated with our operations is the secure transmission of confidential information over networks. The perception of privacy concerns, whether or not valid, may harm our business and results of operations. We must ensure that all collection, use, storage, dissemination, transfer, disposal and other processing of data for which we are responsible comply with relevant data protection and privacy laws. The protection of our customer, employee and company data is critical to us. We apply privacy and security by design principles when developing our own software and products, we also rely on commercially available systems, software, tools and monitoring to provide secure processing, transmission and storage of confidential customer information, such as credit card and other personal information. Despite the security measures we have in place and our preparedness to identify and timely react to suspicious events, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events.



Any security breach, or any perceived failure involving the misappropriation, loss or other unauthorized disclosure of confidential information, as well as any failure or perceived failure to comply with laws, policies, legal obligations or industry standards regarding data privacy and protection, whether by us or our vendors, could damage our reputation, expose us to litigation risk and liability, subject us to negative publicity, disrupt our operations and harm our business. Our security measures may fail to prevent security breaches, which could harm our business, financial condition and results of operations.

Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation.

Our business involves the collection, storage, transmission and other processing of customers’ personal data, including names, addresses, identification numbers, account numbers, account balances, loan positions and trading and investment portfolio information. We also have arrangements in place with certain third-party service providers that require us to share certain customer information. Our and such third parties’ ability to protect such personal data and customer information is dependent on our ability to prevent cybersecurity breaches and unauthorized access and disclosure.

An increasing number of organizations, including large technology companies, financial institutions and government institutions have disclosed breaches of their information security systems, some of which have involved sophisticated and highly targeted attacks, including on portions of their websites, networks or infrastructure, or those of third parties who provide services to them. Information security risks for financial and technology companies such as ours in particular have significantly increased recently, in part because of new technologies, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties. We have experienced minor attacks in the past and, mostly because of our position in the payments value chain, we believe that we are likely to continue to be a target of such threats and attacks. In addition, due to the size and complexity of our technology platform and services, the amount of personal data and other data that we store and the number of customers, employees and third-party providers with access to personal data and other data, we may be the target of a variety of intentional and inadvertent cybersecurity attacks and other security-related incidents and threats, which could result in a material adverse effect on our reputation, business, financial condition and results of operation.

The techniques used to obtain unauthorized, improper or illegal access to our systems, our data or our customers’ data, to disable or degrade service, or to sabotage systems are constantly evolving and may be difficult to detect quickly and often are not recognized until launched against a target. Unauthorized parties may attempt to gain access to our systems or facilities through various means, including, among others, hacking into our systems or those of our customers, partners or vendors, attempting to fraudulently induce our employees, customers, partners, vendors or other users of our systems into disclosing usernames, passwords, payment card information or other sensitive information, which may in turn be used to access our information technology systems, or installing malicious software. Certain efforts may be supported by significant financial and technological resources, making them even more sophisticated and difficult to detect.

Although we have developed systems and processes that are designed to protect our networks, applications, accounts and the confidentiality, integrity and availability of data and customer data and our information technology systems and to prevent data loss and other security breaches, and expect to continue to expend significant additional resources to bolster these protections, these security measures cannot provide absolute security and there can be no assurance that our safety and security measures (and those of our third-party providers) will prevent damage to, or interruption or breach of, our information systems and operations. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may be able to access our customers' personal or proprietary information and card data that are stored on or accessible through those systems. In addition to traditional computer "hackers," malicious code (such as viruses and worms), phishing, ransomware, social engineering attacks, unauthorized access or misuse and denial-of-service attacks, sophisticated criminal networks as well as nation-state and nation-state supported actors now engage in attacks, including advanced persistent threat intrusions. Our security measures may also be breached due to human error, malfeasance, fraud or malice on the part of employees, accidental technological failures, system errors or vulnerabilities, or other irregularities. Further, nearly all of our employees were working remotely during a significant part of the year, which may cause heightened vulnerability to cyberattacks across our business and those of our service providers. In the event our or our third-party providers' protection efforts are unsuccessful and our systems or solutions are compromised, we could suffer substantial harm.

Our Audit and Risk Committee has oversight responsibilities over cybersecurity risk management and meets at least annually with our management to discuss main related risks, including information security, cybersecurity matters and our cybersecurity program. In particular, our Audit and Risk Committee is involved in the oversight of our cybersecurity policies and procedures and is periodically updated on material cybersecurity risks and cybersecurity issues, if any, by management. Our Audit and Risk Committee also communicates with our independent audit firm regarding their annual audit procedures. Nevertheless, there can be no assurance that we can prevent service interruptions or security breaches in our systems or the unauthorized or inadvertent wrongful use or disclosure of confidential information that could adversely affect our business operations or result in the loss, misappropriation or unauthorized access to or use or disclosure of, or the prevention of access to, confidential information.

Any actual or perceived cybersecurity attacks, security breaches, phishing attacks, ransomware attacks, computer malware, computer viruses, computer hacking attacks, unauthorized access, coding or configuration errors or similar incidents experienced by us or our third-party service providers could interrupt our operations, result in our systems or services being unavailable, result in the loss, compromise corruption or improper disclosure of data or personal data, subject us to regulatory or administrative investigations and orders, litigation, disputes, sanctions, indemnity obligations, damages for contract breach or penalties for violation of applicable laws or regulations, impair our ability to provide our solutions and meet our customers' requirements, materially harm our reputation and brand, result in significant legal and financial exposure (including customer claims), lead to loss of customer confidence in, or decreased use of, our products and services, and adversely affect our business, financial condition and results of operations. In addition, any breaches of network or data security at our customers, partners or third-party service providers (including data center and cloud computing providers) could have similar negative effects. We could be forced to expend significant financial and operational resources in response to a security breach, including repairing system damage, increasing security protection costs by deploying additional personnel and modifying or enhancing our protection technologies, investigating and remediating any information security vulnerabilities and defending against and resolving legal and regulatory claims, all of which could divert resources and the attention of our management and key personnel and materially and adversely affect our business, financial condition and results of operations.

Specifically, because we leverage third-party providers, including cloud, software, data center and other critical technology vendors to deliver our solutions to our customers, we rely heavily on the data security technology practices and policies adopted by these third-party providers. Such third-party providers may store or process personal data and other data about our customers and employees, and some of these providers in turn subcontract with other third-party providers. Our ability to monitor our third-party providers' data security is limited. A vulnerability in a third-party provider's software or systems, a failure of our third-party providers' safeguards, policies or procedures, or a breach of a third-party provider's software or systems could result in the compromise of the confidentiality, integrity or availability of our systems or the data housed in our third-party solutions.

Many jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving certain types of data or information technology systems. Security compromises experienced by others in our industry, our customers, our third-party service providers or us may lead to public disclosures and widespread negative publicity. Any security compromise in our industry, whether actual or perceived, could erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, cause existing customers to elect not to renew or expand their use of our platform, services and products or subject us to third-party lawsuits, regulatory fines or other actions or liabilities, which could materially and adversely affect our business, financial condition and results of operations.

Likewise, agreements with certain service providers may require us to notify them in the event of a security breach. Such mandatory disclosures could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and alleviate problems caused by the actual or perceived security breach. Further, a data security compromise or operational disruption impacting us or one of our critical vendors, or system unavailability or damage due to other circumstances, may give rise to a customer's right to terminate its contract with us. In these circumstances, it may be difficult to cure such a breach in order to prevent customers from potentially terminating their contracts with us. Furthermore, although our customer contracts typically include limitations on our potential liability, we cannot guarantee that such limitations of liability would be adequate.

For information on the data protection and privacy laws and regulations to which we are subject and the risks associated therewith, see “—Risks Relating to Regulatory Matters and Litigation—We are subject to costs and risks associated with enhanced or changing laws and regulations affecting our business, including those relating to data privacy, security and protection. Developments in these and other laws and regulations could harm our business, financial condition or results of operations. ,” “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Data Privacy and Protection” and “—E-Commerce, Data Protection and Taxes,” “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Mexico—Data Privacy and Protection” and “—E-Commerce, Data Protection and Taxes” and “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Colombia—Data Privacy and Protection.” For more information on our cybersecurity risk management efforts”“Item 11. Quantitative and Qualitative Disclosures About Market Risk—Information Technology Risk” and “Item 16K. Cybersecurity—Cybersecurity Risk Management.”

Claims by others that we infringe their proprietary technology or other rights could have a material and adverse effect on our business, financial condition and results of operations.

We may be subject to costly litigation in the event that third parties assert claims that our services or technology infringe, misappropriate or otherwise violate their intellectual property or proprietary rights. Third parties may have, or may eventually be issued, patents that could be infringed, misappropriated or otherwise violated by our services or technology, and any of these third parties could make a claim of infringement against us. As we face increasing competition and gain an increasingly high profile, the possibility of intellectual property rights claims against us grows. We may also be subject to claims by third parties for breach of copyright, trademark, license usage or other intellectual property rights. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit and regardless of the outcome, could cause us to incur substantial costs defending against the claim, distract our management from our business, require us to redesign or cease use of such intellectual property, pay substantial amounts to satisfy judgments or settle claims or lawsuits, pay substantial royalty or licensing fees, or satisfy indemnification obligations that we have with certain parties with whom we have commercial relationships. The outcome of any allegation is often uncertain. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit and regardless of the outcome, may result in a limitation on our ability to use the intellectual property subject to these claims or could prevent us from registering our brands as trademarks. Additionally, in recent years, individuals and groups have been purchasing intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies like ours. Even if we believe that such claims are without merit, defending against such claims is time-consuming and expensive and could result in the diversion of the time and attention of our management and employees.

Claims of intellectual property infringement, misappropriation or other violation also might require us to redesign around such violated services, which may be expensive, time-consuming or infeasible, enter into costly settlement or license agreements, pay costly damage awards (including treble damages and attorneys' fees if we are found to have willfully infringed a patent or other intellectual property right), change our brands or face a temporary or permanent injunction prohibiting us from commercializing, using, marketing or selling the violating technology, products or services or using certain of our brands. We may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments.

Claims that we have misappropriated the confidential information or trade secrets of third parties could similarly harm our business. If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement, misappropriation or violation claims against us, such payments, costs or actions could have a material adverse effect on our competitive position, business, financial condition and results of operations.

Additionally, in certain of our agreements with customers and other third parties, we agree to indemnify them for losses related to, among other things, claims by third parties of intellectual property infringement, misappropriation or other violation. From time to time, customers or other third parties have required, and may in the future require, us to indemnify them for such infringement, misappropriation or violation, breach of confidentiality or violation of applicable law, among other things. Although we normally seek to contractually limit our liability with respect to such obligations, some of these indemnity agreements may provide for uncapped liability and some indemnity provisions survive termination or expiration of the applicable agreement. Any legal claims from customers or other third parties could result in substantial liabilities and reputational harm, and could have adverse effects on our relationship with such customers and other third parties. Even if we have an agreement for indemnification against such costs, the indemnifying party, if any, may be unable to uphold its contractual obligations. Any of the foregoing could negatively impact our business, revenue and earnings.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services and brand.

We believe the protection of our intellectual property, including our trademarks, patents, copyrights, domain names, trade dress, trade secrets, software and industrial designs, is critical to our success. We rely on, and expect to continue to rely on, a combination of contractual rights in various agreements with our employees, independent contractors, consultants and third parties with whom we have relationships, as well as trademarks and trade secrets in the United States, Brazil, Argentina, Mexico, Colombia and elsewhere internationally to establish and protect our intellectual property and proprietary rights, including technology. Third parties may challenge, invalidate, circumvent, infringe, misappropriate or otherwise violate our intellectual property and other proprietary rights, or such intellectual property may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain service offerings or other competitive harm. Others, including our competitors, may independently develop similar technology, duplicate our services or design around our intellectual property, and in such cases, we could not assert our intellectual property rights against such parties. Despite our efforts to protect our proprietary rights, there can be no assurance that our intellectual property rights will be sufficient to protect against others offering products or services that are substantially similar to ours and compete with our business or to prevent unauthorized parties from copying aspects of our technology. For example, it is possible that third parties, including our competitors, may obtain patents that overlap or compete with our technology. If third parties obtain patent protection with respect to such technologies, they may assert that our technology infringes their patents and seek to charge us a licensing fee or otherwise preclude the use of our technology.

In addition to registered intellectual property rights such as trademark registrations, we rely on non-registered proprietary information and technology, such as trade secrets, confidential information, know-how and technical information. In order to protect our proprietary information and technology, we rely in part on nondisclosure and confidentiality agreements with parties who have access to them, including our employees, independent contractors, corporate collaborators, advisors and other third parties, which place restrictions on the use and disclosure of this intellectual property. We also enter into confidentiality and invention assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information or otherwise developed intellectual property for us, including our technology and processes. Individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property. Additionally, these agreements may be insufficient or breached, or otherwise fail to prevent unauthorized use or disclosure of our confidential information, intellectual property or technology, and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property or technology. As a result, our intellectual property, including trade secrets, may be disclosed or become known to our competitors, which could cause us to lose any competitive advantage resulting from this intellectual property. Additionally, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Further, we may be unable to obtain trademark protection for our technologies and brands, and our existing trademark registrations and applications, and any trademarks that may be used in the future, may not provide us with competitive advantages or distinguish our products and services from those of our competitors. In addition, our trademarks may be contested, circumvented or found to be unenforceable, weak or invalid, and we may not be able to prevent third parties from infringing or otherwise violating them.

We may have to litigate to enforce or determine the scope and enforceability of our intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. An adverse outcome in such litigation or proceedings may expose us to a loss of our competitive position, expose us to significant liabilities or require us to seek licenses that may not be available on commercially acceptable terms, if at all. Further, we will not be able to protect our intellectual property rights if we are unable to enforce our rights, and effective intellectual property protection may not be available in every country in which we offer our products and services. The laws of certain countries where we do business or may do business in the future may not recognize intellectual property rights or protect them to the same extent as do the laws of the United States. In addition, any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our trade secret and intellectual property rights. Failure to obtain or maintain protection of our trade secrets or other proprietary information could harm our competitive position and materially and adversely affect our business and results of operations.

Also, because of the rapid pace of technological change in our industry, aspects of our business and our services rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms or at all. See “—Our business and platform depend in part on intellectual property and proprietary rights and technology licensed from or otherwise made available to us by third parties. If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.” The loss of intellectual property protection, the inability to obtain third-party intellectual property or delay or refusal by relevant regulatory authorities to approve pending intellectual property registration applications could harm our business and ability to compete.

Our use of third-party open-source software could negatively affect our ability to offer and sell our solutions and subject us to possible litigation.

Our solutions incorporate and are dependent to some extent on the use and development of third-party open-source software, including Python, Java, JavaScript, Flutter, Dart, Swift, among others programming languages, and we intend to continue our use and development of open-source software in the future. Such open-source software is generally licensed by its authors or other third parties under open-source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open-source licenses, we may be subject to certain conditions, including requirements that we offer our proprietary software that incorporates open-source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open-source software and that we license such modifications or derivative works under the terms of the particular open-source license. If an author or other third party that uses or distributes such open-source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the use or sale of our solutions that contained or are dependent upon the open-source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our products and services. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, any open-source software or derivative works that we have developed using such software, which could include proprietary source code, or otherwise seeking to enforce the terms of the applicable open-source license. These claims could result in litigation and could require us to make our software source code freely available, which would put us at a competitive disadvantage, purchase a costly license (with binding clauses that restrict our ability to commercialize and develop the implicated products or services), or cease offering the implicated products or services unless and until we can re-engineer such source code in a manner that avoids infringement. This reengineering process could require us to expend significant additional research and development resources, and we may not be able to complete the re-engineering process successfully. Litigation could be costly for us to defend, have a negative effect on our financial condition and results of operations or require us to devote additional research and development resources to change the source code underlying our platform, products and services. The terms of many open-source licenses to which we are subject have not been interpreted by courts, and there is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide, or distribute the products or services related to, the open-source software subject to those licenses. As there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses, the potential impact of these terms on our business is uncertain and may result in unanticipated obligations regarding our solutions and technologies.

In addition to risks related to license requirements, use of open-source software can lead to greater risks than use of third-party commercial software, as open-source licensors generally do not provide warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open-source software cannot be eliminated and could adversely affect our business. Although we seek to comply with our obligations under the various applicable licenses for open-source software, it is possible that we may not be aware of all instances where open-source software has been incorporated into our proprietary software or used in connection with our solutions or our corresponding obligations under open-source licenses. We do not have open-source software usage policies or monitoring procedures in place. We rely on multiple software programmers to design our proprietary software and we cannot be certain that our programmers have not incorporated open-source software into our proprietary software that we intend to maintain as confidential or that they will not do so in the future. To the extent that we are required to disclose the source code of certain of our proprietary software developments to third parties, including our competitors, in order to comply with applicable open-source license terms, such disclosure could harm our intellectual property position, competitive advantage, financial condition and results of operations. In addition, to the extent that we have failed to comply with our obligations under particular licenses for open-source software, we may lose the right to continue to use and exploit such open-source software in connection with our operations and solutions, which could disrupt and adversely affect our business.

Our business and platform depend in part on intellectual property and proprietary rights and technology licensed from or otherwise made available to us by third parties. If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

Our business and platform depend in part on intellectual property and proprietary rights and technology licensed from or otherwise made available to us by third parties and, in the future, we may enter into additional agreements that grant us valuable intellectual property licenses or rights to technology. If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

Our business and our platform rely in part on certain intellectual property, including technologies, data, content and software developed and licensed to us by third parties, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from selling our products and services, or inhibit our ability to commercialize future products and services. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed intellectual property rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

In addition, our rights to certain technologies are licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which would place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, the agreements under which we license intellectual property or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement.

Further, the licensed components may become obsolete, defective or incompatible with future versions of our services, relationships with the third-party licensors or technology providers may deteriorate, or our agreements with the third-party licensors or technology providers may expire or be terminated. Additionally, some of these licenses or other grants of rights may not be available to us in the future on terms that are acceptable, or at all, or that allow our platform, products and services to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material and adverse effect on our business and results of operations. Furthermore, incorporating intellectual property or proprietary rights licensed from or otherwise made available to us by third parties on a non-exclusive basis in our products or services could limit our ability to protect the intellectual property and proprietary rights in our services and our ability to restrict third parties from developing, selling or otherwise providing similar or competitive technology using the same third-party intellectual property or proprietary rights.

We seek to have all the necessary licenses and other grants of rights from third parties to use technology and software that we do not own. However, the licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor substantial royalties based on sales of our products and services. Such royalties are a component of the cost of our products or services and may affect the margins on our products and services. Further, a third party could allege that we are infringing its rights. Our failure to obtain necessary licenses or other rights on acceptable terms, or litigation or claims arising out of intellectual property matters, may harm or restrict our business. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys’ fees, if we are found to have willfully infringed a patent or other intellectual property right. Any such litigation or the failure to obtain any necessary licenses or other rights could adversely impact our business, financial position and results of operations.

Item 1. Identity of Directors, Senior Management and Advisors

A. Directors and Senior Management

Not applicable.

B. Advisers

Not applicable.

C. Auditors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

A. Offer Statistics

Not applicable.

B. Method and Expected Timetable

Not applicable.

Item 5. Operating and financial review and prospects

The following discussion of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the notes thereto, included elsewhere in this annual report.

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events may differ materially from those expressed or implied in such forward-looking statements as a result of various factors, including those set forth in “Cautionary Statement Regarding Forward-Looking Statements” and “Item 3. Key Information—D. Risk Factors”.



A. *Operating Results*

Selected Consolidated Financial Data

The following tables set forth, for the periods and as of the dates indicated, our selected consolidated financial data. Our historical results are not necessarily indicative of the results that may be expected in the future. The following selected consolidated financial data should be read in conjunction with “Item 5. Operating and Financial Review and Prospects” and our consolidated financial statements and related notes included elsewhere in this annual report.

The selected statements of financial position as of December 31, 2024 and 2023 and the selected statements of income for the years ended December 31, 2024, 2023 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this annual report, prepared in accordance with IFRS Accounting Standards.

In January 2025, the SEC staff released Staff Accounting Bulletin No. 122 (“SAB 122”), which rescinded Staff Accounting Bulletin No. 121 (“SAB 121”). The Company effected the rescission of SAB 121 as of December 31, 2024 on a fully retrospective basis, resulting in the Company derecognizing the previously recognized safeguarding obligation liability related to crypto assets held for other parties and the corresponding safeguarding asset related to crypto assets held for other parties. As a result of our adoption of SAB 122, we derecognized assets and liabilities to Customer crypto safeguarding equal to US\$153.2 million on our consolidated financial position as of December 31, 2023. As a result, financial information, included in this document, were adjusted to reflect the early adoption of SAB 122. For more information see note 1 to our audited consolidated financial statements.



Statement of Income Data

	For the years ended December 31,		
	2024	2023	2022
	(in US\$ millions, except amounts per share)		
Interest income and gains (losses) on financial instruments	9,631.1	6,439.7	3,555.2
Fee and commission income	1,886.0	1,589.3	1,237.0
Total revenue	11,517.1	8,029.0	4,792.2
Interest and other financial expenses	(2,834.9)	(2,036.9)	(1,547.9)
Transactional expenses	(260.3)	(215.9)	(176.4)
Credit loss allowance expenses	(3,169.0)	(2,285.2)	(1,404.9)
Total cost of financial and transactional services provided	(6,264.2)	(4,538.0)	(3,129.2)
Gross profit	5,252.9	3,491.0	1,663.0
Operating expenses			
Customer support and operations	(604.6)	(488.1)	(335.4)
General and administrative expenses (G&A)	(1,256.1)	(1,042.3)	(1,333.3)
<i>G&A - Contingent share award (CSA) termination</i>	-	-	(355.6)
<i>G&A - Other</i>	(1,256.1)	(1,042.3)	(977.7)
Marketing expenses	(246.4)	(171.1)	(152.9)
Other income (expenses)	(350.6)	(250.4)	(150.3)
Total operating expenses	(2,457.7)	(1,951.9)	(1,971.9)
Income (loss) before income taxes	2,795.2	1,539.1	(308.9)
Income taxes			
Current taxes	(1,536.5)	(1,184.2)	(473.3)
Deferred taxes	713.4	675.7	417.6
Total income taxes	(823.1)	(508.5)	(55.7)
Net income (loss) for the year	1,972.1	1,030.6	(364.6)
Earnings (Loss) per share – Basic	0.41	0.22	(0.08)
Earnings (Loss) per share – Diluted	0.40	0.21	(0.08)

Statement of Financial Position Data

	As of December 31,	
	2024	2023 ⁽¹⁾
	(US\$ millions)	
Assets		
Cash and cash equivalents	9,185.7	5,923.4
Financial assets at fair value through profit or loss	741.0	389.9
<i>Securities</i>	665.2	368.6
<i>Derivative financial instruments</i>	75.5	21.0
<i>Collateral for credit card operations</i>	0.3	0.3
Financial assets at fair value through other comprehensive income	9,913.5	8,805.7
<i>Securities</i>	9,913.5	8,805.7
Financial assets at amortized cost	26,701.3	24,988.9
<i>Credit card receivables</i>	12,259.3	12,414.2
<i>Loans to customers</i>	5,321.9	3,202.3
<i>Compulsory and other deposits at central banks</i>	6,743.3	7,447.5
<i>Other receivables</i>	1,413.4	1,689.0
<i>Other financial assets</i>	78.1	131.5
<i>Securities</i>	885.4	104.4
Other assets	663.6	936.2
Deferred tax assets	1,818.3	1,537.8
Investments in associates	99.4	-
Right-of-use assets	20.3	30.5
Property, plant and equipment	25.9	39.3
Intangible assets	347.6	295.9
Goodwill	414.3	397.5
Total assets	49,931.2	43,345.1
Liabilities		
Financial liabilities at fair value through profit or loss	340.9	242.7
<i>Derivative financial instruments</i>	32.3	28.2
<i>Instruments eligible as capital</i>	-	4.0
<i>Repurchase agreements</i>	308.6	210.5
Financial liabilities at amortized cost	39,919.0	34,582.7
<i>Deposits</i>	28,855.1	23,691.1
<i>Payables to network</i>	9,333.5	9,755.3
<i>Borrowings and financing</i>	1,730.4	1,136.3
Salaries, allowances and social security contributions	180.2	166.9
Tax liabilities	1,102.1	1,300.8
Lease liabilities	26.2	36.9
Provision for lawsuits and administrative proceedings	22.6	8.1
Deferred income	71.6	68.4
Other liabilities	621.6	532.3
Total liabilities	42,284.1	36,938.8
Equity		
Share capital	0.1	0.1
Share premium reserve	5,053.8	4,972.9
Accumulated gains	3,420.6	1,276.9
Other comprehensive income (loss)	(828.2)	156.4
Equity attributable to shareholders of the parent company	7,646.3	6,406.3
Equity attributable to non-controlling interests	0.8	-
Total equity	7,647.1	6,406.3
Total liabilities and equity	49,931.2	43,345.1

(1) Comparative-period information has been revised as a result of our early adoption of SAB 122 as described above under “—Selected Consolidated Financial Data” and in Note 1 of our annual consolidated financial.



Overview

Our Self-Reinforcing Model

Our business is built on four core principles: (1) customer-centric culture, (2) human-centric design for great customer experiences, (3) advanced proprietary technologies, and (4) data science and powerful models. These principles create a self-reinforcing model that serves our customers and partners effectively, generating impact and competitive advantages.

Our model benefits from low costs across four dimensions:

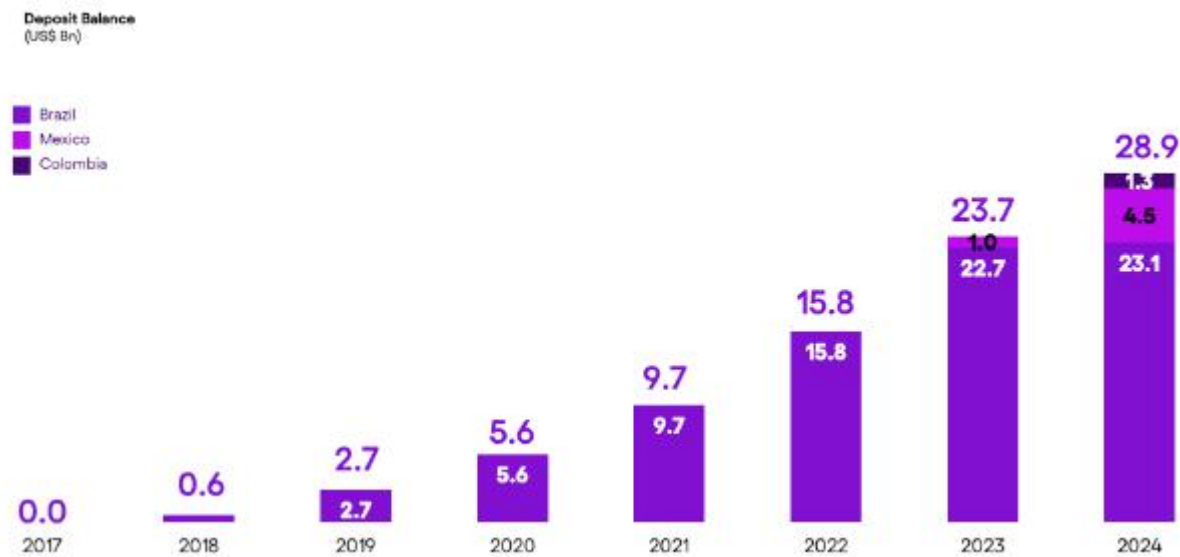
Low Cost to Acquire—We acquire customers efficiently without expensive marketing campaigns or incentives primarily through viral, direct customer referrals. For the year ended December 31, 2024, our CAC was US\$6.4² per customer (of which paid marketing accounted for approximately 31%), compared to US\$6.2 per customer for the year ended December 31, 2023 (of which paid marketing accounted for approximately 31%). Based on our internal research and publicly available information, we believe our CAC is one of the lowest across consumer FinTech companies in the world.

Low Cost to Serve—Our all-digital, cloud-based platform is low cost, highly efficient and scalable. As a result, we estimate that our cost to serve and general and administrative expense per active customer is approximately 85% lower than those of incumbent financial institutions in Brazil, based on their publicly available financial statements. These institutions are burdened by their large physical branch networks and high employee to customer ratios. In Brazil, incumbent banks had, on average, 1,100 customers per employee (according to publicly available data), while our ratio is approximately 13,400 customers per employee as of December 2024, multiple times higher than the ratio of incumbents.

Low Cost of Risk—As we have scaled, we have leveraged our growing pool of proprietary data and our NuX credit engine to underwrite customers more effectively, lower fraud rates and lower our overall cost of risk. Credit limits are optimized at a consumer level using our credit underwriting engine that balances the expected marginal revenue and expected marginal loss associated with incremental limits, including the undrawn portion of credit lines, under a worsening economic scenario. In addition, we pursue a “low and grow” strategy with credit limits: we grant lower limits to new customers who we assess as higher risk and then increase those limits selectively based on a positive usage and repayment track record. As of December 31, 2024, our reported NPL 15-90 days late rate reached 4.1% and our NPL 90+ days late rate reached 7.0% in Brazil. For additional information on portfolio risk quality distribution and ECL movements, see notes 13 and 14 to our audited consolidated financial statements.

Low Cost of Funding—As a result of the trust our customers have in us and our growing relevance in our customers’ primary banking relationship we have amassed a large and growing pool of customer deposits since the introduction of our NuAccount in 2017, which has supported our funding needs and reduced our funding costs over time. As of December 31, 2024, we had US\$28.9 billion of deposits, all of which were acquired directly, without the use of third-party brokers or intermediaries. For more information on our definition and measurement of primary banking relationship, see “—Factors Affecting Our Performance—Our ability to increase transactions and expand revenue from existing customers.”

² Customer Acquisition Costs, or CAC, consists of the following expenses: printing and shipping of a card, credit data costs (primarily consisting of credit bureau costs) and paid marketing. CAC is calculated as the sum of those costs from January 2019 until December 2024 on an FX neutral basis, divided by the total number of releases of that same period (that is, number of unique customers acquired during that period).



We earn revenue from two main sources:

Interest Income and Gains (Losses) on Financial Instruments—We earn interest income from the interest that we charge on revolving and refinanced credit card balances, purchased credit card receivables and loans to customers, as well as the interest we earn on our cash. We invest our cash primarily in government bonds that are highly liquid, and we recognize gains or losses related to fair value changes in these instruments. For the years ended December 31, 2024 and 2023, interest income and gains (losses) on financial instruments represented 83.6% and 80.2% of total revenue, respectively. The size of our interest-earning portfolio was US\$11.2 billion as of December 31, 2024 and US\$8.2 billion as of December 31, 2023, and we earned US\$9.6 billion of interest income and gains (losses) of financial instruments for the year ended December 31, 2024 and US\$6.4 billion for the year ended December 31, 2023.

Fees and Commission Income—Our fees and commission income are closely correlated to the usage of our products. The majority of our fee-based revenue comes from interchange fees which we earn when our customers make purchases using our cards in credit or prepaid purchases. These fees are set by Mastercard and paid by the merchants who accept our cards. As a result, our customers do not pay these fees, and we are able to offer a core credit card with no annual fees. Fees earned on credit card purchases are higher than those earned on prepaid purchases and both vary across the geographies we operate in. In addition, we earn revenue from customer subscriptions to our loyalty programs, late payment fees, prepaid mobile phone top-ups, and commissions from our partners for the distribution of certain financial products and services such as investments (brokerage and asset management), insurance and international remittance as well as sales on our marketplace. For the year ended December 31, 2024 and 2023, fee and commission income represented 16.4% and 19.8% of total revenue, respectively. For a discussion of regulatory changes that capped our interchange fees from prepaid card transactions from April 1, 2023 and negatively impacted our revenue, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Regulatory Matters and Litigation—Certain ongoing legislative and regulatory initiatives under discussion by the Brazilian Congress, the Central Bank of Brazil, the Ministry of Finance and the broader payments industry may result in changes to the regulatory framework of the Brazilian payments and financial industries, which may have an adverse effect on our business and cause us to incur increased compliance costs.”



Our Advantaged Unit Economics

The self-reinforcing nature of our business model and our low operating costs have helped us generate strong unit economic performance, which we believe provides us with several competitive advantages that include: (1) increasing revenue per customer; (2) high customer engagement; and (3) low customer churn.

We define contribution margin as the sum of revenue from our credit card, personal loans and NuAccount products, less variable expenses (consisting of interest and other financial expenses, transactional expenses and credit loss allowance expenses) directly associated with this revenue. Our customer acquisition costs consist of printing and shipping of cards, credit data costs (primarily consisting of credit bureau costs) and paid marketing. We look at this data all on a per customer level based on the number of customers acquired in the initial quarter and use this number of customers throughout the period of analysis.

Key Business Metrics

The following table sets forth our key business metrics as of and for the periods indicated. We review these key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. In addition, these additional business metrics are presented to assist investors to better understand our business and how it operates.



	Years Ended December 31,		
	2024	2023	2022 (14)
Customers Metrics			
Number of customers (in millions)(1)	114.2	93.9	74.6
Number of customers growth(1)	22%	26%	38%
Monthly active customers (in millions)(2)	94.9	78.0	61.2
Activity rate(3)	83%	83%	82%
Customer Activity Metrics			
Purchase volume (in US\$ billions)(4)	125.6	111.1	80.6
Purchase volume growth (%) (4)	13%	37%	85%
Monthly average revenue per active customer (in US\$)(5)	11.1	9.6	7.8
Monthly average cost to serve per active customer (in US\$)(6)	0.8	0.8	0.8
<i>FX Neutral</i>			
Purchase volume (in US\$ billions)(4)	125.6	92.4	69.7
Purchase volume growth (%) (4)	36%	33%	76%
Monthly average revenue per active customer (in US\$)(5)	11.1	8.8	7.3
Monthly average cost to serve per active customer (in US\$)(6)	0.8	0.7	0.8
Customer Balances			
Total portfolio - credit card and personal loans (in \$ billions)	20.7	18.2	11.3
Portfolio growth (%)	14%	61%	74%
Deposits (in US\$ billions)	28.9	23.7	15.8
Deposits growth (%) (8)	22%	50%	63%
Interest-earning portfolio (in US\$ billions)(7)	11.2	8.2	4.0
Interest-earning portfolio growth (%) (7)	37%	105%	100%
<i>FX Neutral</i>			
Total portfolio - credit card and personal loans (in \$ billions)	20.7	14.3	9.7
Portfolio growth (%)	45%	47%	64%
Deposits (in US\$ billions)(8)	28.9	18.6	13.5
Deposits growth (%) (8)	55%	38%	55%
Interest-earning portfolio (in US\$ billions)(7)	11.2	6.4	3.4
Interest-earning portfolio growth (%) (7)	75%	88%	85%
Company Financial Metrics			
Revenue (in US\$ millions)	11,517.0	8,029.0	4,792.2
Revenue growth (%)	43%	68%	182%
Gross profit (in US\$ millions)	5,252.9	3,491.0	1,663.0
Gross profit margin (%) (15)	46%	43%	35%
Credit loss allowance expenses / credit portfolio (%) (9)	15%	13%	12%
Net income (loss) (in US\$ millions)	1,972.1	1,030.6	(364.6)
Adjusted Net Income (Loss) (in US\$ millions)(10)	2,207.5	1,196.5	204.1
<i>FX Neutral</i>			
Revenue (in US\$ millions)(11)	11,517.0	7,309.5	4,498.3
Revenue growth (%) (11)	58%	62%	168%
Gross profit (in US\$ millions)(12)	5,252.9	3,178.2	1,561.0
Gross profit margin (%)	46%	43%	35%
Net Income (loss) (in US\$ millions)(13)	1,972.1	938.2	(342.3)
Adjusted Net Income (Loss) (in US\$ millions)(10)	2,207.5	1,089.2	191.6

- (1) Customer is defined as an individual or SME that has opened an account with us and does not include any such individuals or SMEs that have been charged-off or blocked or that voluntarily closed their account.
- (2) Monthly active customers are defined as all customers that have generated revenue in the last 30 calendar days, for a given measurement date.
- (3) Activity rate is defined as active customers divided by the total number of customers as of a specific date.
- (4) Purchase volume is defined as the total value of transactions that are authorized through our credit and prepaid cards only; it does not include other payment methods that we offer such as Pix, WhatsApp payments or traditional wire transfers. Purchase volume and purchase volume growth are presented on an FX Neutral basis 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. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information.
- (5) 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). Monthly ARPAC is also presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information.

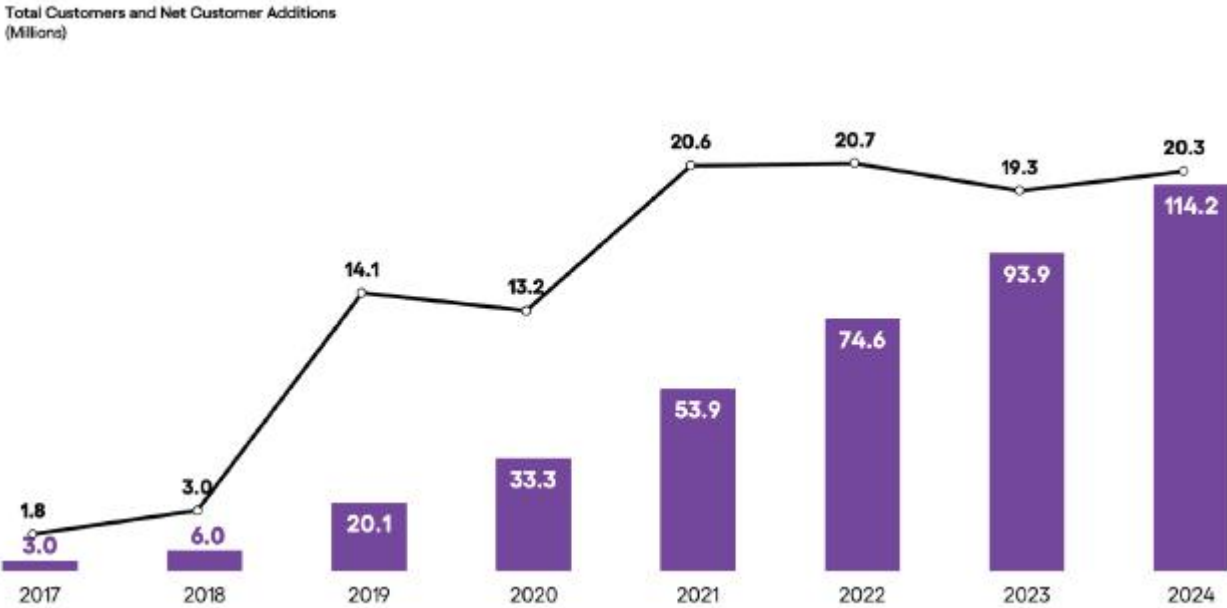
- (6) Monthly average cost to serve per active customer is defined as the monthly average of the sum of transactional expenses and customer support and operations expenses (sum of these expenses in the period divided by the number of months in the period) divided by the average number of individual active 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). Monthly average cost to serve per active customer is also presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information.
- (7) Interest-earning portfolio consists of receivables from credit card operations on which we are accruing interest and loans to customers, in each case prior to ECL allowance, as of the period end date. Interest-earning portfolio and interest-earning portfolio growth are presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our FX Neutral Interest-earning portfolio to the IFRS measure of this metric can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (8) Deposits and deposits growth are presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our FX Neutral Deposits to the IFRS measure of this metric can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (9) Credit loss allowance expenses / credit portfolio is defined as credit loss allowance expenses, divided by the sum of receivables from credit card operations (current, installments and revolving) and loans to customers, in each case gross of ECL allowance, as of the period end date.
- (10) Adjusted Net Income (Loss) is defined as net income (loss) attributable to shareholders of the parent company, adjusted for expenses related to share-based compensation, allocated tax effects on share-based compensation, hedge of the tax effects on share-based compensation and expenses related to the termination of the 2021 Contingent Share Award (CSA). Adjusted Net Income (Loss) is also presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our Adjusted Net Income (Loss) and our FX Neutral Adjusted Net Income (Loss) to their most directly comparable IFRS measures of income (loss) can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (11) Revenue and revenue growth are presented on an FX Neutral basis. See “Presentation of Financial and Other Information – Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our FX Neutral Revenue to the IFRS measure of this metric can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (12) Gross profit is presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our FX Neutral gross profit to the IFRS measure of this metric can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (13) Net income (loss) is presented on an FX Neutral basis. See “Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures—FX Neutral Measures” for additional information. A reconciliation of our FX Neutral loss to the IFRS measure of this metric can be found below under “—Non-IFRS Financial Measures and Reconciliations.”
- (14) The 2022 growth number was calculated using the FX Neutral Deposits, the FX Neutral Interest-earning portfolio and the FX Neutral Revenue as of December 31, 2021 of US\$8.7 billion, US\$1.8 billion and US\$1.5 billion respectively, which were calculated using the reported amount of Deposits, Interest-earning portfolio, and Revenue as of December 31, 2021 of US\$9.7 billion, US\$2.0 billion and US\$1.7 billion and applying the methodology described in “Presentation of Financial and Other Information -FX Neutral Measures”.
- (15) Gross profit margin is calculated by dividing Gross Profit by Total Revenue.



Customers

Our total number of customers is an important measure of the reach and adoption of our products. We define our customers as individuals and SMEs that have opened accounts with us and do not include any such individuals or SMEs that have been charged-off or blocked or voluntarily closed their account.

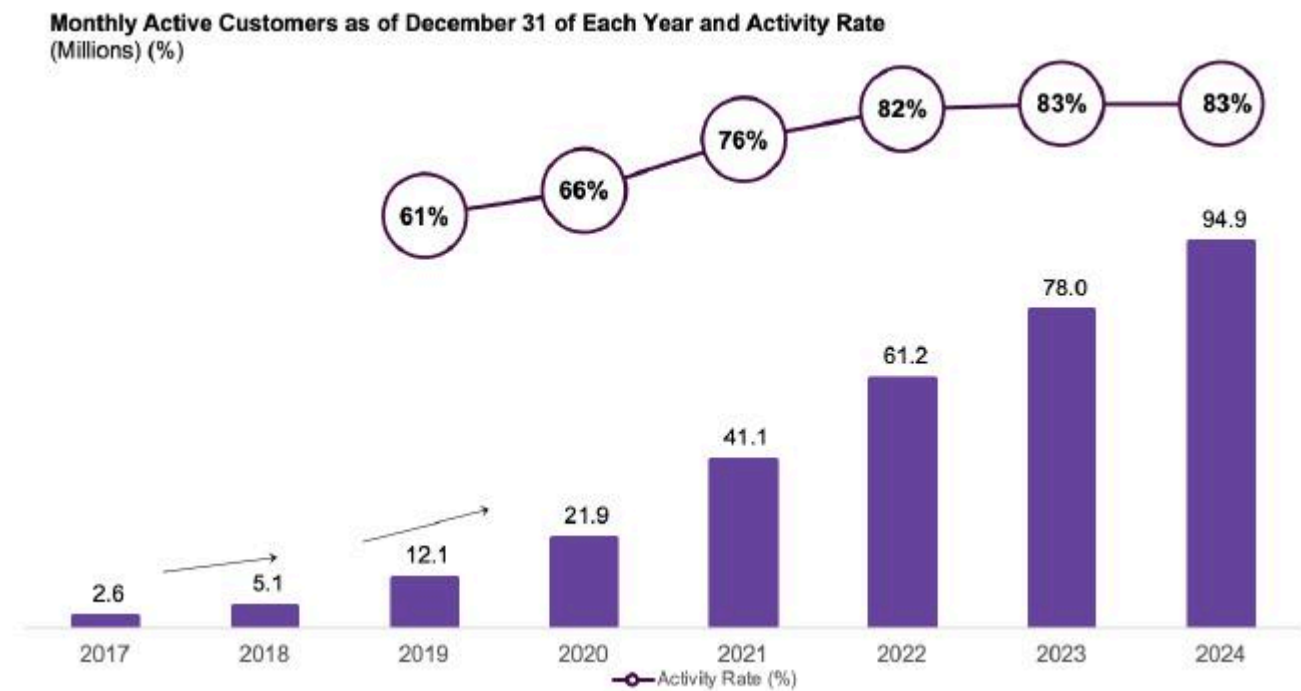
We reached 114.2 million customers as of December 31, 2024, an increase of 22% compared to 93.9 million customers as of December 31, 2023, resulting in a net addition of 20.3 million customers over the 12-month period, demonstrating the strength of our self-reinforcing model.



Monthly Active Customers and Activity Rate

We assess customer engagement and adoption by measuring our number of monthly active customers and their implied activity rate. We define a monthly active customer as any customer that has generated revenue in the last 30 calendar days of the measurement date, and we define activity rate as monthly active customers divided by the total number of customers as of a specific date. Our monthly active customers drive the vast majority of our revenue. However, customers that are non-active can and often do still use our products, though less frequently, and do contribute to our revenue. Non-active customers can also become active from period to period. For more information on our customer engagement ratio, see “—Factors Affecting Our Performance—Our ability to attract and retain monthly active customers.”

We reached 94.9 million monthly active customers as of December 31, 2024, an increase of 22% compared to 78.0 million monthly active customers as of December 31, 2023. Our activity rates as of December 31, 2024 and 2023 were 83% and 83%, respectively, driven by the introduction of additional products and the continued increase in the adoption of digital banking in the countries where we operate. Our activity rate is also affected by the mix of customers with our credit card product versus other products such as prepaid cards. Our credit card customers have consistently had higher activity rates given the expansionary nature of credit card expenditures, while our prepaid card customers in contrast have lower activity rates. When we introduced our prepaid card product in late 2018, this led to faster growth in the total number of customers compared to monthly active customers in 2019, while lowering our activity rate as such customers tend to have lower activity than credit card customers. Since then, our activity rate has increased as our customers have tended to use us more frequently across multiple products.

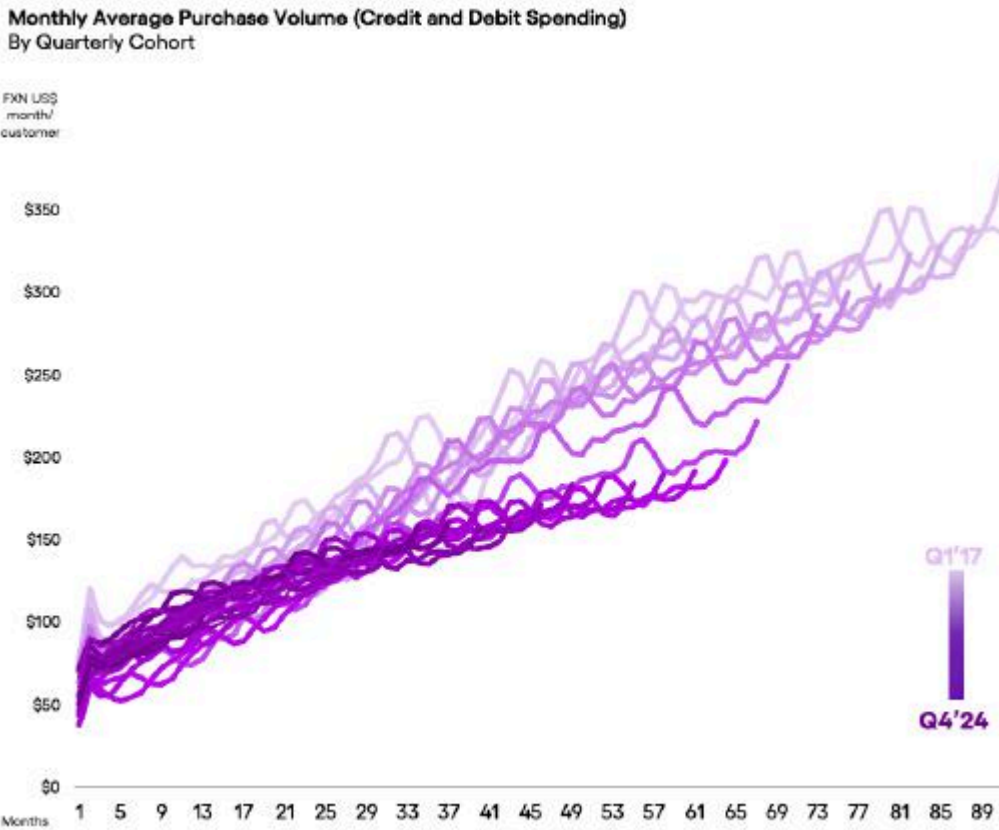


Purchase Volume, or “PV”

We measure PV to assess the volume of transactions that take place on our card-based products. We earn interchange fees on our PV, which we define as the total value of transactions that are authorized through our credit and prepaid cards only; it does not include other payment methods that we offer such as Pix, WhatsApp payments or traditional wire transfers from which we do not earn fees.

PV reached US\$125.6 billion in the year ended December 31, 2024, an increase of 13.1% compared to US\$111.1 billion in the year ended December 31, 2023. For the year ended December 31, 2024, total interchange fees was US\$1,380.5 million, equivalent to 1.1% of PV over the year ended December 31, 2023.

Our cohorts have generally increased their PV over time as our customers become more familiar with our products, bring more of their spend to our products, grow their wealth and benefit from larger credit lines from us. This can be seen when looking at the monthly average PV across our cohorts, where PV across cohorts increased in December 2024 compared to December 2023.

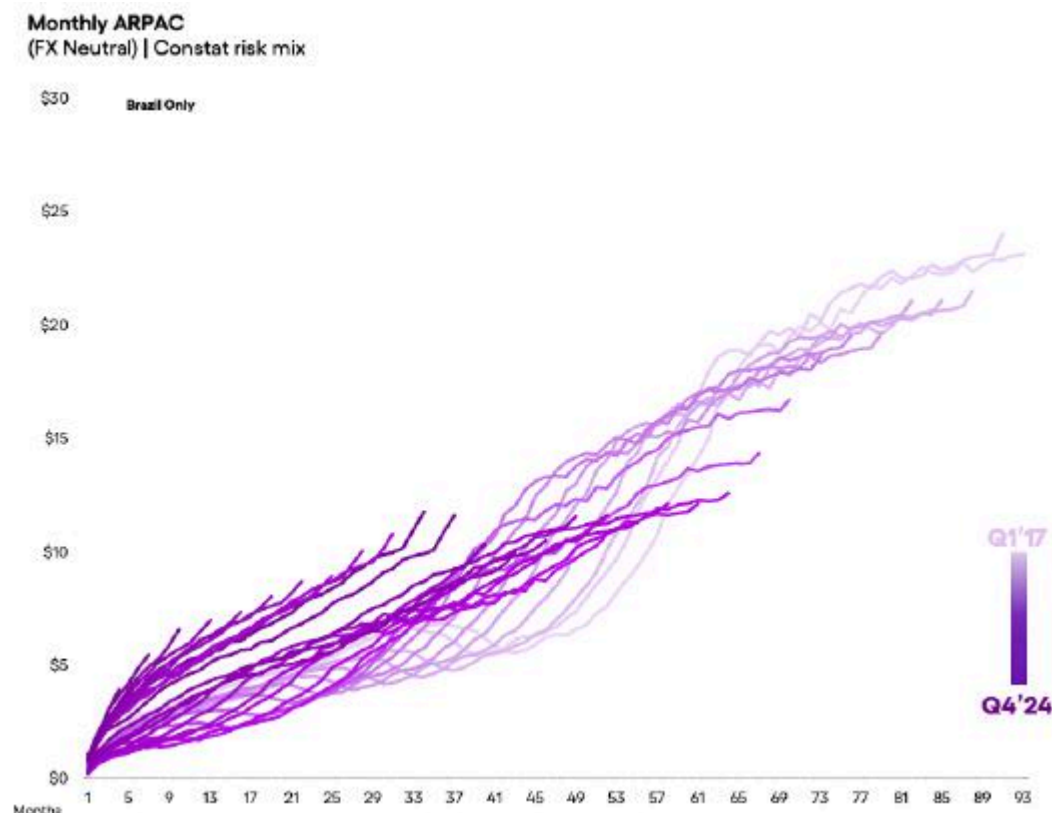


Monthly Average Revenue Per Active Customer, or “Monthly ARPAC” (in US\$)

We monitor Monthly ARPAC to track the value we generate on a customer level across all our monthly active customers in a given period. We define Monthly ARPAC 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).

Monthly ARPAC was US\$11.1 for the year ended December 31, 2024. In comparison, Monthly ARPAC was US\$9.6 for the year ended December 31, 2023, US\$8.8 on an FX neutral basis.

Over time, we have seen increased Monthly ARPAC from our monthly active customers across all our cohorts, as shown below. As we gather more data on our customers, we increase their credit limits based on performance, which enables us to increase our share of existing customer spending. Furthermore, our customers adopt more of our products over time, allowing us to generate more revenue from their activity.



The above chart shows Monthly ARPAC for each quarterly cohort starting in the first quarter of 2017 on an FX Neutral basis (as described in "Presentation of Financial and Other Information - FX Neutral Measures" section). The introduction of our NuAccount in 2017 and its corresponding prepaid card in 2018 were important evolutions in our product set and had a noticeable impact across our key business metrics as they allowed us to accelerate our customer growth by serving a much wider spectrum of the population, including lower-income customers who would not have started off with a consumer credit product such as our credit card. Consequently, customers who join us by acquiring only a NuAccount typically generate lower initial revenue than customers who start off with multiple products, such as a credit card and a NuAccount. To calculate the amounts included in the chart above on an FX Neutral basis, we apply the average Brazilian reais/U.S. dollar exchange rate for the year ended December 31, 2024 (R\$6.1736 to US\$1.00) throughout, so as to present these amounts as they would have been had exchange rates remained stable over all periods presented.

Our Monthly ARPAC has reached over US\$25 between the sixth and seventh years for our quarterly cohorts in their most recent months shown above. Our cohorts have generally had increasing Monthly ARPAC over time, with nearly all cohorts having declined Monthly ARPAC during periods impacted by the COVID-19 pandemic where economic activity declined and when we reduced initial credit limits for new customers due to economic uncertainty. However, Monthly ARPAC has subsequently rebounded as economic activity has increased.

Monthly Average Cost to Serve Per Active Customer (in US\$)

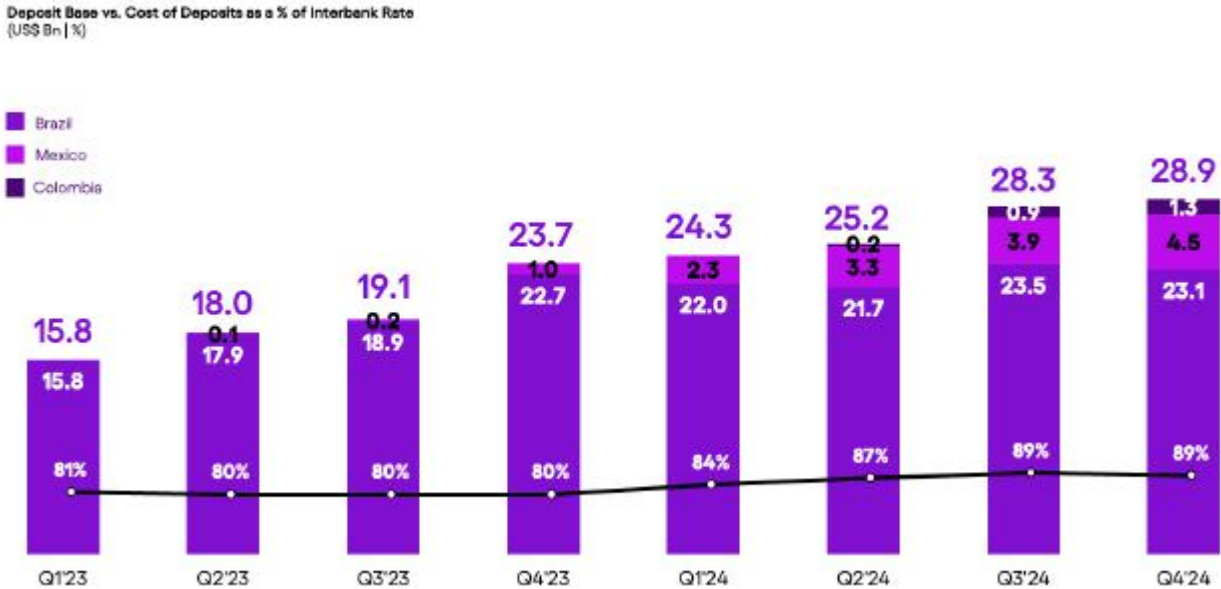
We compare our monthly average cost to serve per active customer to our Monthly ARPAC to assess our customer economics in a given period. We define monthly average cost to serve per active customer as the monthly average of the sum of transactional expenses and customer support and operations expenses (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).

Our monthly average cost to serve per active customer on both an actual and an FX Neutral basis was US\$0.8 for the year ended December 31, 2024. In comparison, our monthly average cost to serve per active customer was US\$0.8 and US\$0.8 for the years ended December 31, 2023 and 2022, respectively. On an FX Neutral basis, our monthly average cost to serve per active customer was US\$0.8 and US\$0.7 for the years ended December 31, 2024 and 2023, respectively.

Deposits

We track our deposits to assess the trust our customers place in us and because deposits are an important source of funding for our credit products. We define deposits as money held by our individual customers and our SME customers in our NuAccounts. Our deposit balance is currently from our Brazil, Mexico and Colombia customer base. In December 2022 in Mexico and in Q2'24 in Colombia, with the launch of our digital savings account “Cuenta Nu”, we expanded our portfolio in both countries enabling local deposits and further supporting customer growth.

Deposits increased to US\$28.9 billion as of December 31, 2024, an increase of 21.9% compared to US\$23.7 billion as of December 31, 2023 (or an increase of 55.4% compared to US\$18.6 billion as of December 31, 2023 on an FX Neutral basis). We believe our deposits are highly diversified as they come mostly from our retail customer base. As of December 31, 2024, approximately 90% of our total customers in Brazil had balances on deposits or in Money Boxes with us.



Our deposit base has also proved to be highly resilient, as shown in the graph above, growing steadily over time, independent of the interest rate environment, more than covering our funding needs.



In Brazil, in July 2022, we started to pay interest on deposits at 100% of the Brazilian interbank deposit rate, but retroactively and only for amounts that remained on deposit for more than 30 days. We started to see the full impacts of these actions in the fourth quarter of 2022, and in December 2024 our cost of funding was at 81% of interbank rate, compared to an all-time low of 78% of the interbank deposit rate in December 2022. We did not see any material impact of the deployment of Money Boxes or the changes in interest paid on our deposits inflows during 2024.

In Mexico, in May 2023 we launched Cuenta Nu, offering to our customers 24/7 liquidity deposits paying interest on deposits at 9% per year. In November 2023, we announced an increase to 15% in the annual rate of return on deposits, 375 bps above the central bank's benchmark rate (TIEE) and started to see the impacts on these actions during the first half of 2024. In July 2024, we started reducing our preferential yield on 24/7 money boxes, bringing the spread versus TIEE to 200 bps on December 31, 2024, while continuing to see healthy growth in deposits.

In Colombia, since the second quarter of 2024 when we launched Cuenta Nu, we have followed a similar strategy of Mexico, and our performance in the country exceeded our expectations, reaching US\$1.3 billion in deposits as of December 31, 2024

Interest-Earning Portfolio

We generate interest income from our interest-earning portfolio, interest on corporate cash (which we invest primarily in government bonds) and acquisition of credit card receivables from third party institutions. We define our interest-earning portfolio as revolving and refinanced credit card balances and secured and unsecured personal loans. Our interest-earning portfolio consists of loans to customers and receivables from credit card operations on which we are accruing interest, gross of ECL (Expected Credit Loss) allowance, as of the period end date.

In Brazil, consumers may elect to pay their monthly credit card balances in part (revolve) or in total, or to move their credit card balances (fully or partially) into a pre-approved installment plan. Customers may revolve for a maximum of two months, after which any revolved balances must be transferred to an installment plan. Both revolving and installment plan credit card balances are interest-earning assets for us. Current credit card balances (inside their normal billing cycle) are not interest-earning assets for us.

New loans to customers and the overall portfolio balance grew during 2024, as described in the paragraph below. The pace of growth has been lower than that of credit cards, but with the ongoing performance of the book we expect this to accelerate over coming quarters. Credit card balances also continue to increase, driven by an increase in PV, primarily as a result of the addition of new customers.

As of December 31, 2024, our interest-earning portfolio (including credit card receivables and loans to customers) increased to US\$11.2 billion, an increase of 36.6% compared to US\$8.2 billion as of December 31, 2023 (or an increase of 75% compared to US\$6.4 million as of December 31, 2023, on an FX Neutral basis). Interest over acquired credit card receivables are accrued over a balance of US\$933.9 million as of December 31, 2024, compared to US\$1,689.0 million as of December 31, 2023.



As of December 31, 2023, our interest-earning portfolio increased to US\$8.2 billion, an increase of 105% compared to US\$4.0 billion as of December 31, 2022 (or an increase of 91% compared to US\$4.3 billion as of December 31, 2022, on an FX Neutral basis).

Factors Affecting Our Performance

Our ability to attract and retain monthly active customers

Our customers are the foundation of our business. We are focused on growing and retaining our customer base. We expect continued growth in monthly active customers driven by the high-quality experiences that we provide when they use our products, the result of which we believe is high affinity with our brand. Our existing customers are core to our marketing as word-of-mouth drives a large portion of new customers to us. Approximately 80%-90% of our customers were acquired organically on average per year since our inception either through word-of-mouth or direct unpaid referrals.

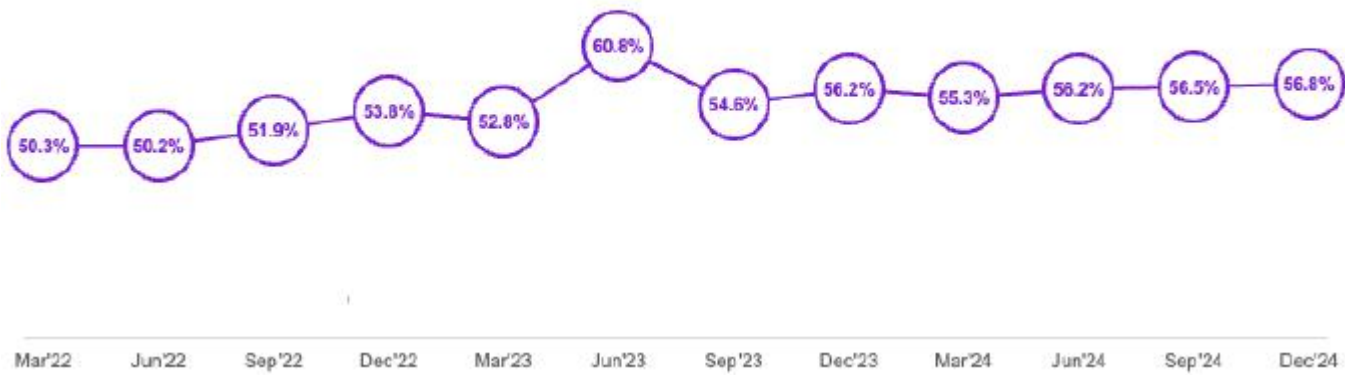
Growth in our monthly active customer base is driven by (i) new customers (individual or SME business accounts); (ii) increases in the number of products per customer to give customers more reasons to be active (see “—New products and adoption”); (iii) high-quality customer service as measured by our strong NPS; and (iv) understanding our less active customers so we can optimize our product offerings including providing them with higher credit limits.

Our net churn has remained relatively low, averaging 0.2% per month in 2024, compared to 0.2% per month in 2023. We define net churn as the (i) sum of (a) customers who choose to cancel their accounts with us (voluntary churn) and (b) customers whose accounts are canceled proactively by us (involuntary churn) (ii) minus revivals, all divided by the number of customers as of the end of the respective period. We consider as revivals customers whose accounts were not valid in the previous month mainly due to fraud and delinquency, but to whom access was restored once the respective issue was addressed.

We believe that our recurring investments in technology and customer service combined with the compounding effects of our self-reinforcing model have resulted in high engagement rates for our active customers. We calculate customer engagement as the ratio of daily active customers (defined here as the number of Brazilian customers that within the day either opened our app or performed a card transaction) to monthly active customers (defined here as the number of Brazilian customers that within a trailing 28-day window either opened our app or performed a card transaction). In December 2024, the 28-day average of this ratio was 56.8%, an increase of 0.6 percentage points compared to 56.2% in December 2023. We believe this showcases engagement similar to leading social network platforms. This social network-like engagement combined with our FinTech monetization is one of the foundations of our powerful self-reinforcing model.



Ratio of Daily Active Customer to Monthly Active Customers
(Average of last 28 days)

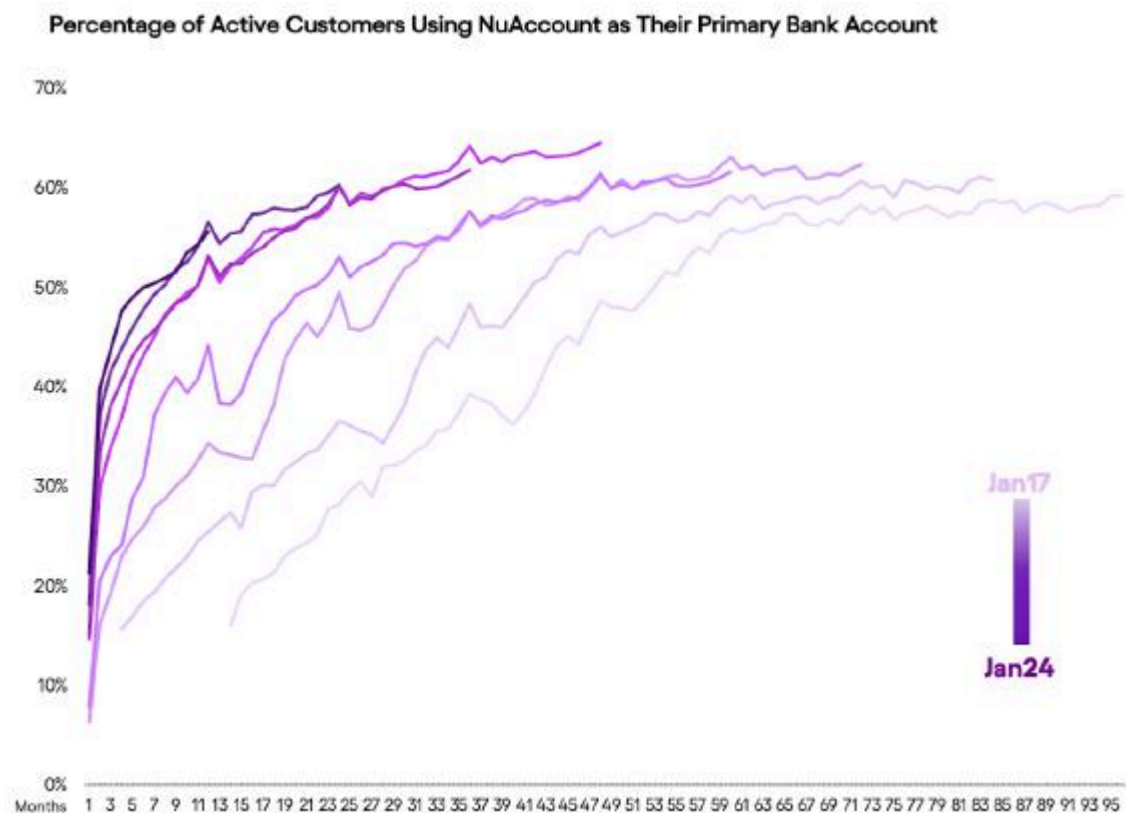


Our ability to increase transactions and expand revenue from existing customers

Our existing customers drive a significant portion of our growth, and we expect them to continue to drive more transactions and more PV as they grow their wealth, we get a greater share of their spend, we offer them higher credit lines, and as they increase adoption of our various products. Our existing customers have historically increased the number of transactions with us as evidenced by the number of transactions in a month per monthly active customer across our quarterly customer cohorts. There is a consistent increase over time, except for a reduction across our cohorts during periods impacted by the COVID-19 pandemic where economic activity declined. Our cohorts for PV and Monthly ARPAC show the same expansionary trend for both, as shown in “—Key Business Metrics.”

Our goal is for Nu to become our customers’ primary banking account, and our customers are increasingly choosing Nu as their primary banking relationship as they become more comfortable with our products and user experience, increasing their usage of our products. We have become the primary banking relationship for over 61% of our active customers who had been with us for more than 12 months as of December 31, 2024. We define a primary banking relationship as a relationship in which an active customer has at least 50% of their monthly post-tax income (excluding self-transfers) moved out of their NuAccount in any given month. We measured the percentage of primary banking relationships for cohorts released in January 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024.

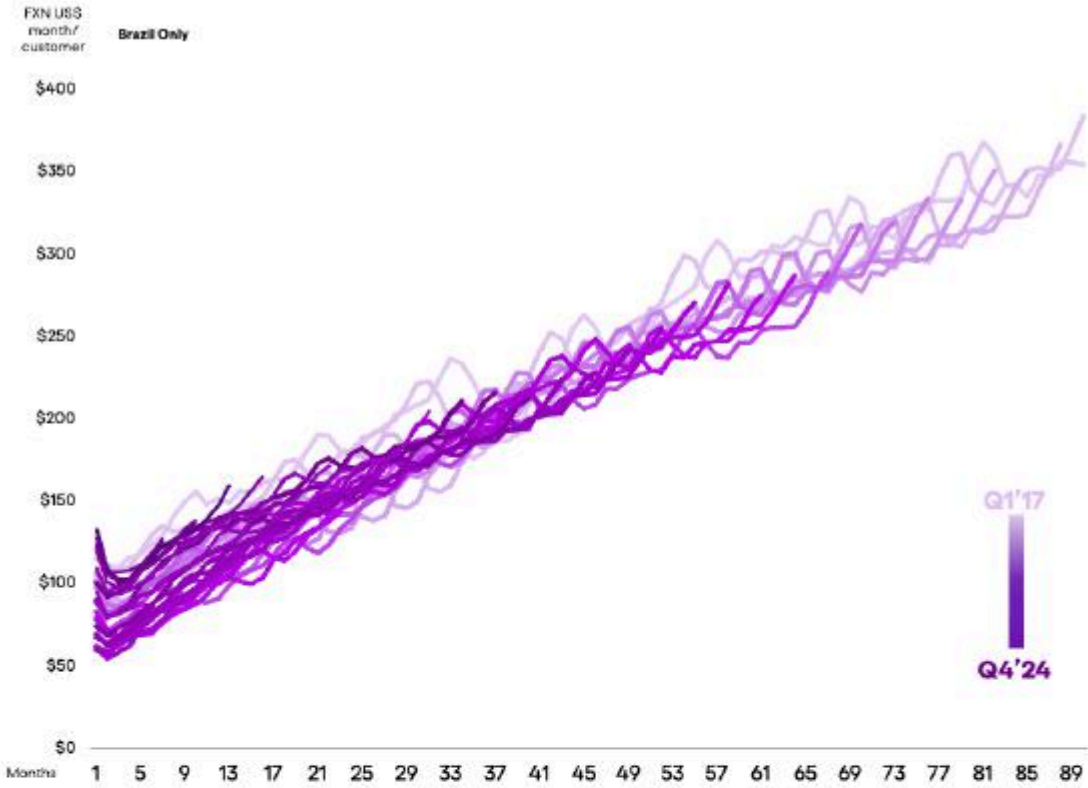
Based on our analysis, we believe that (i) within each cohort, at least 50% of active customers have a primary banking relationship with Nu and (ii) each cohort reached the 50% threshold at progressively faster rates. For example, our January 2020 cohort reached the 50% threshold in 22 months, while our January 2023 and January 2024 cohorts reached this threshold in 8 months and 6 months respectively, as illustrated in the following chart.



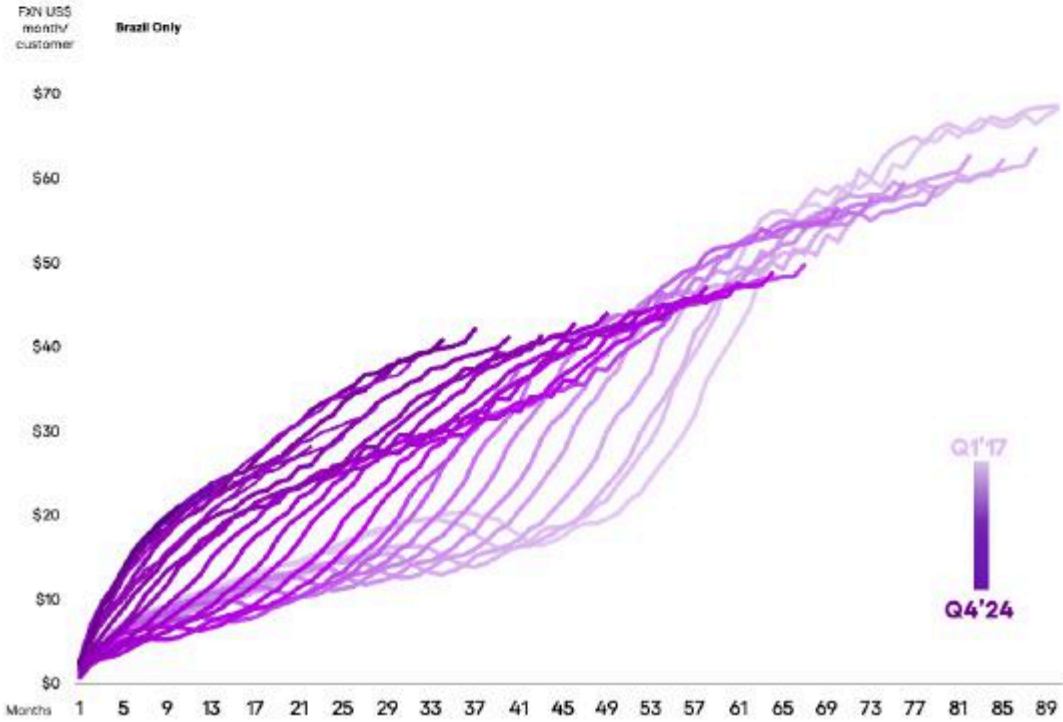
While there is an initial disparity between newer and older cohorts, both show a clear upwards trend in consumption over time. Effectively, when we look into a constant initial risk basis, there is a clear uptrend in the spending patterns of our card customers. We believe the compounding effect of integrating millions of new customers each quarter, coupled with their gradual shift to higher spending patterns, will continue to fuel the future growth of purchase volumes.

Constant risk mix is defined as all the acquisition cohorts having exactly the same mix of risk bands defined by our models. With this we simulate what PV and ARPAC would be if we did not change our risk appetite and expand our approval thresholds. In other words, we are normalizing the risk of each of the acquisition cohorts to be the same (as the one from 2017-Q1), and only seeing the variations in behavior not caused by acquisition strategies changes, i.e. the true evolution of the engagement capacity of our customers and its effects on PV over time.

Adjusted Purchase Volume per Customer
(FX Neutral) | Constat risk mix



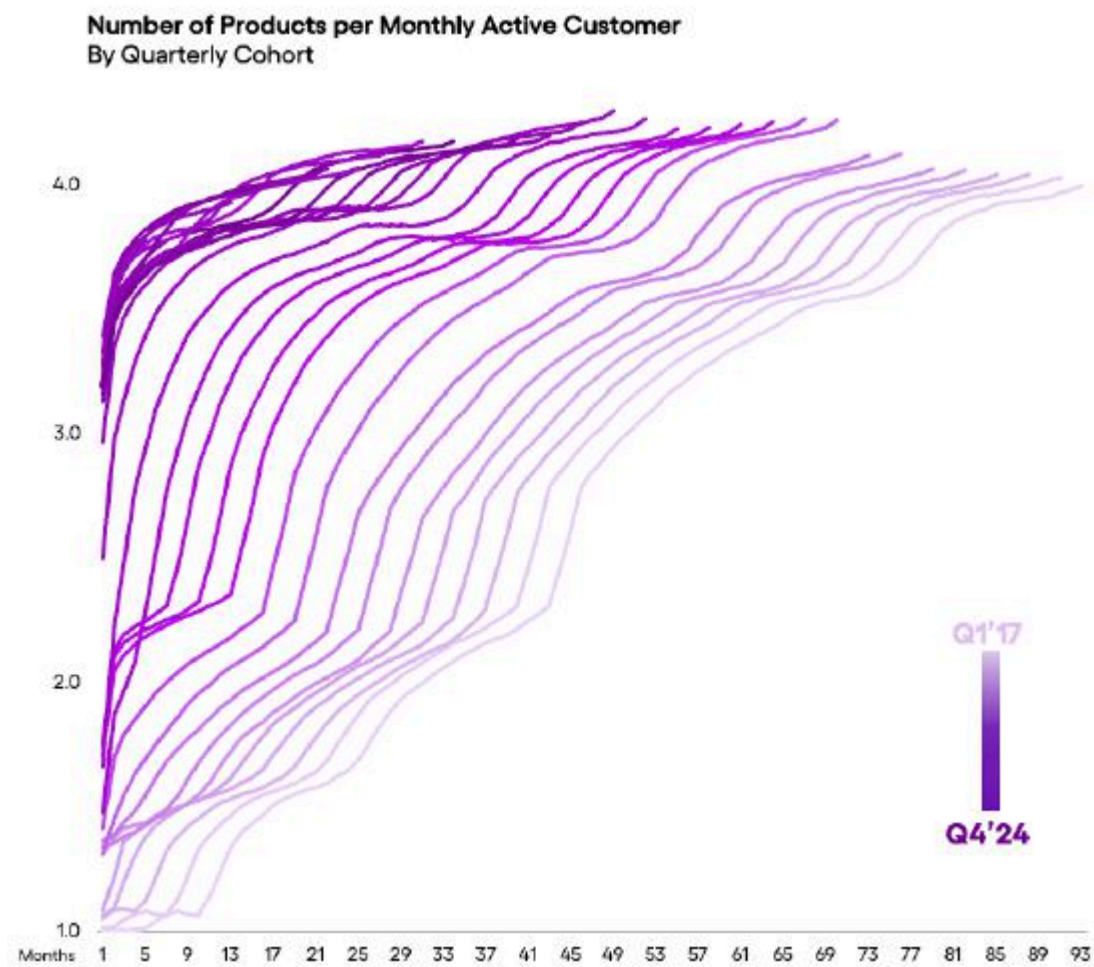
Adjusted ARPAC
(FX Neutral) | Constat risk mix





New products and adoption

We are focused on developing and launching new products and features, which could generate additional revenue streams, complement our customers’ experiences, and fulfill customers’ wider financial service needs. We launched several products since we started our operations in 2013, including credit and prepaid cards, a loyalty rewards program, payment accounts for individuals and SMEs, personal loans (secured and unsecured), Pix, an in-app marketplace with partnerships with e-commerces, cryptocurrency trading (NuCrypto), auto and life insurance, among other products. We also added investments through the acquisition of Nu Investimentos, having launched personalized investment tools (Money Boxes), new “Buy Now Pay Later” solutions that allow customers to pay overtime in up to twelve installments on their credit and prepaid card purchases and banking payment slips (*boletos*). In 2024 we also expanded our strategy beyond financial services, with the launch of NuTravel, our travel portal where customers can plan travels directly in the app, bundled with a multi-currency account and NuCel, our mobile phone service in a MVNO partnership with Claro. Our key launches planned for 2025 include the further expansion of our secured loan products. This encompasses the implementation of new agreements for public payroll deductible loans, the introduction of private payroll deductible loans in response to recent regulatory changes in this asset class, and the expansion of our loan offerings in Mexico and Colombia. We expect to launch new products in the future, including additional credit products, other types of insurance policies, new investment solutions and other fee-driving businesses intended to leverage our large customer base. We have seen strong adoption of our new products over the past few years as evidenced across our cohorts. We expect our new products to provide additional avenues to acquire new customers as well as cross-sell within our existing customers as we continue to expect increased adoption of new products on a per customer basis.



The above chart shows the number of products per monthly active customer for each quarterly cohort starting in the first quarter of 2017. We define products per customer as the number of products used by active Brazilian customers divided by the total number of active Brazilian customers within that month. Our earliest cohorts, despite starting out with a single product, have adopted multiple new products as these have been introduced and have approximately four products as of December 31, 2024.

Continuing our international expansion

We believe that we are in the early stages of our international expansion. We will continue to rely on our technology, data science, and credit and customer experience approach to continue expanding into new markets. In 2019 and 2020, we expanded internationally to Mexico and Colombia, respectively, because we identified customer needs and opportunities in these markets that were similar to those in Brazil. We followed a similar strategy and launched our operations in both countries with our flagship credit card product. As we enter new markets, and begin to attract new customers and build scale, our near-term ARPAC may decrease and our cost of risk may increase due to ECL as we acquire new customers, negatively impacting our operating margins.



Rapid growth of our consumer credit business and associated credit loss provisioning

As we continue to expand and enhance our credit offerings, we have seen PV grow significantly. Our customer-centric approach and mission to democratize access to financial services have helped us gain market share in a sector that was traditionally dominated by a handful of incumbents for decades. As a result, our share of the Brazilian card PV market (including credit, debit and prepaid) has risen steadily each year. In 2024, we represented 14.2% of the total credit card PV, compared to 13.9% in 2023, 11.6% in 2022, 8.7% in 2021 and 5.7% in 2020, according to data from ABECS.

Our credit provisioning model is an expected credit loss model, and frontloads credit loss recognition by provisioning for future expected credit loss, or “ECL,” as soon as a credit limit is granted or loan is extended. While we make these loan loss provisions at the time of loan initiation, we expect to generate revenue and credit loss from these credit card and personal loan customers over time, which negatively impacts our gross profit and gross profit margin in any period where we are adding customers.

Economies of scale resulting from our technological platform

Cloud-based platforms enable scalability and agility. Our systems are designed to accommodate an ever-growing pool of customers and a range of products. Being 100% cloud-based and having built our core platform from the ground up, our systems are highly scalable and we believe that there are opportunities to drive further efficiency. As we add each incremental product to our platform, we benefit from the existing data and infrastructure, providing a source of operating leverage, as evidenced by a decreasing trend in our monthly average cost to serve per active customer.

Risk management

Our risk management frameworks are heavily based on data and machine learning and these models are continuously enhanced over time. As we increase our customer base and collect more data on the behavior of our customers, our models become better trained to identify and stratify our customers according to their risk, improving our decision-making. In addition, we constantly test our hypotheses using A/B testing in smaller samples of our customer base. As a result, we have improved our risk metrics year after year, as evidenced by our 90-day consumer finance delinquency rate being lower than the industry average across the Brazilian credit card market.

Regulation

As a tech company focused on the financial services sector in the countries we operate, we must comply with the laws and policies set by the central banks and other governmental institutions. Regulatory change might positively or negatively impact our revenue, credit provision policies and capital and liquidity requirements, among others. There are ongoing discussions to update the current methodology to calculate risk-weighted assets in Brazil, which could positively impact our capital requirements going forward. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Regulatory Matters and Litigation—We are subject to extensive regulation and regulatory and governmental oversight as a digital financial services platform and as a payment institution. Compliance with or violation of present or future regulations could be costly, expose us to substantial liability and force us to change our business practices, any of which could harm our business and results of operations.”

Seasonality

Our business is affected by customer behavior throughout the year and demonstrates seasonality effects. Historically, we benefit from higher PV and related revenue in the fourth quarter of the year due to the holiday season. However, our high historical growth has masked this seasonality in the past, and this may become more pronounced in the future. Adverse events that occur during those periods could have a disproportionate effect on our results of operations for the entire year. As a result of seasonality fluctuations caused by these and other factors, comparisons of our results of operations across different periods may not be accurate indicators of our future performance. As we diversify our business across product lines, we believe our seasonality may be reduced.

Macroeconomic environment

Our results of operations are subject to political and economic factors and their respective effects on the availability of funding resources, disposable income, employment rates and average wages. They are also affected by levels of consumer spending, interest rates and the expansion or retraction of consumer credit in the countries we operate, each of which impacts the number and overall value of payment transactions. For instance, the increase in the overall wages and the number of employed people has positively affected purchasing volume. On the other hand, a high-interest rate scenario tends to make funding costs more expensive.

Within Latin America and the Caribbean, we currently serve Brazil, Mexico and Colombia, countries that accounted for over 61% of the population and 68% of the GDP in the region in 2024, according to IMF forecasts. In 2024, these countries had populations of around 212 million, 132 million and 53 million and recorded GDPs of US\$2.3 trillion, US\$1.8trillion and US\$419 billion, respectively – measured in current U.S. dollars. In the past years, important industries have consolidated their presence in the region and acquired scale, the most notable being financial services, retail, manufacturing, transportation and communication, construction, agribusiness and mining. In most Latin American countries, an increasingly large proportion of the population is experiencing material gains in purchasing power and is being provided with augmented credit facilities, a trend that can be observed even with short-term episodes of economic downturn. Consumer patterns are therefore shifting towards more sophisticated products and services, a phenomenon that calls for enhanced business infrastructure, upgraded human capital and improved real estate facilities, among other requirements, to meet these demands.

Currently, the majority of our operations are located in Brazil, and we expanded our operations internationally to Mexico and Colombia in 2019 and 2020, respectively, because we believed they were very attractive markets that had some of the same characteristics and opportunities as those we had identified in Brazil. Nu has witnessed a 0.8% annual real GDP growth in Brazil, our core market, since its foundation, according to data from IBGE for the period between 2013 and 2024.

We believe that Latin America has a large and vibrant consumer market. However, the recent economic instability in Latin America has contributed to a decline in market confidence in the economy as well as to a deteriorating political environment, and weak macroeconomic conditions are expected to continue through 2025.

The following table shows data for real GDP, inflation and interest rates in Brazil, Mexico and Colombia and the U.S. dollar/local currency exchange rate at the dates and for the periods indicated.

	For the Years Ended December 31,	
	2024	2023
(in percentages, except as otherwise indicated)		
Brazil		
Real growth in GDP (6)	3.4	3.2
Inflation (IPCA) (4)	4.8	4.6
Average CDI rate, per year (1) (3)	10.8	13.2
Average exchange rate - BRL per USD 1.00 (2)	5.4	5.0
Unemployment rate	6.2	7.4
Mexico		
Real growth in GDP (6)	1.5	3.3
Inflation (INPC) (4)	4.2	4.7
Average TIIE rate, per year (1) (3)	10.9	11.1
Average exchange rate - MXN per USD 1.00 (2)(5)	18.3	17.7
Unemployment rate	2.4	2.6
Colombia		
Real growth in GDP (6)	1.7	0.7
Inflation (IPC) (4)	5.1	9.3
Average effective IBR rate, per year (1)(3)	10.6	12.1
Average exchange rate - COP per USD 1.00 (2)(5)	4,074.2	4,326.0
Unemployment rate	9.1	10.0

Sources: Brazil: IBGE, IPEA and BCB; Mexico: Banxico and INEGI; Colombia: Banrep and DANE. All data is frequently revised by the reporting institutions.

- (1) BCB's SGS 4392 series; Banxico's SIE CF111(SF331451) series (overnight); Banrep's IBR publication.
- (2) BCB's SGS 3698 series; Banxico's Foreign Exchange Market Portal; Banrep's TRM.
- (3) CDI (Brazilian interbank deposit) and TIIE (Mexican Interbanking Equilibrium Interest Rate) are the interbank interest rates (IBR) defined as the rate of interest charged on short-term loans between banks.
- (4) IPCA (Broad National Consumer Price Index), INPC (National Consumer Price Index) and IPC (Consumer Price Index) are the Brazilian Consumer Price Index.
- (5) MXN (Mexican Pesos) and COP (Colombian Pesos) are the currencies for Mexico and Colombia, respectively.
- (6) National statistical agencies continuously revise data from recent quarters, resulting in adjustments to historical data.

Interest rates

Interest rates affect our ability to generate revenue. Although higher interest rates can lead to reductions in private consumption, negatively impacting fees and commission income including the interchange fees that we earn, they can also positively correlate with interest income, positively impacting our results.

Inflation

Inflation impacts our obligations to certain suppliers, such as office leasing, as costs are indexed to inflation rates. However, a significant part of our revenue is naturally hedged against inflation, since our interchange fees also tend to fluctuate in nominal terms according to inflation, even if we continue to apply the same percentage. When merchants adjust their prices for inflation, the purchasing power of consumers may be reduced, which may adversely affect some of our revenue streams if it results in a reduction in the number and volume of transactions.

Currency fluctuations

Our operations are conducted primarily in Brazilian reais (R\$), which is the local currency in Brazil, but our presentation currency is U.S. dollars (US\$). We also convert other currencies related to the countries in which we operate to U.S. dollars. This generates additional volatility in our financial statements. In the last few years, and in particular in 2024 the real has significantly depreciated in comparison to the U.S. dollar, which has adversely affected our results of operations in U.S. dollars terms.

Acquisitions, investments, new lines of business and other developments

- On December 12, 2024 Nu made a minority investment in Tyme Group Pte Ltd. ("Tyme") as the lead of its series D funding round. Tyme operates under a hybrid model that combines a customer-centric digital platform with physical experiences, delivered in partnership with nationwide retailers through digital kiosks and bank ambassadors. Tyme specializes in emerging markets populations including South Africa and the Philippines.
- In September 2024, the Company announced the repositioning of Nucoin as part of a new loyalty program being developed for Nubank's customers, which led to the discontinuation of the liquidity pool feature that previously enabled clients to buy and sell Nucoin. As result, the Group recorded US\$40 million, primarily attributed to marketing expenses, aimed at repositioning Nucoin within the new loyalty program, as well as US\$8 million attributable to the impairment expenses of certain capitalized intangible assets associated with the liquidity pool feature.

- On July 31, 2024, we completed the acquisition of Hyperplane, a U.S.-based AI platform specialized in enabling financial institutions to launch personalized customer experiences through foundation models, which we believe will accelerate Nu's AI development across products.
- On June 28, 2023 the Securities and Exchange Commission of Brazil, or "CVM" Collegiate approved the plan for the discontinuance of our Level III BDRs Program and the cancellation of our registration with the CVM as a foreign public issuer of category "A" securities. The Definition Period for Level III BDRs holders to make their choices among the possible alternatives within the scope of the discontinuity plan was closed on August 11, 2023, and the sale of the Class A Common Shares underlying the BDRs that were held by the holders of the BDRs that, within the scope of the Level III BDRs Program Discontinuance plan, were directed to the Sale Procedures, ended on August 21, 2023. On September 22, 2023 we submitted a request to CVM to cancel the registration of the Level III BDRs Program and, consequently, to cancel our registry as a foreign issuer before CVM. On October 31, 2023, the cancellation was approved by CVM.
- On January 3, 2022, we completed the acquisition of Olivia's, a US-based data company with subsidiaries in Brazil specializing in applying machine learning and artificial intelligence solutions to retail banking. Olivia had a personal finance management mobile device application with over 100,000 customers as of November 2021, which we believe will further strengthen our open banking initiatives. The total purchase price was US\$47 million, of which US\$10.5 million was settled on the closing date in cash and the remainder was settled upon issuance of 3,909,449 class A ordinary shares on the first anniversary of the acquisition date, and the issuance of up to 3,970,986 class A ordinary shares as consideration for post-combination services rendered to Nu by former shareholders and employees who became part of the Group following the closing. We are treating the share consideration estimated as US\$37.2 million that could be issued as consideration for post-combination continued services, in the next 3 years, rendered to Nu by the former shareholders and employees who became our employees following the closing as compensation.

Non-IFRS Financial Measures and Reconciliations

This annual report presents our Adjusted Net Income (Loss) and certain FX Neutral measures and their respective reconciliations for the convenience of investors, which are non-IFRS financial measures. A non-IFRS financial measure is generally defined as a numerical measure of historical or future financial performance, financial position, or cash flow that purports to measure financial performance but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. For further information on why our management chooses to use these non-IFRS financial measures and on the limits of using these non-IFRS financial measures, please see "Presentation of Financial and Other Information—Special Note Regarding Non-IFRS Financial Measures." The FX Neutral measures for Adjusted Net Income (Loss) and certain key business metrics 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 our most recent financial information, as detailed below.

The FX Neutral measures for the years ended December 31, 2023, 2022 and 2021 were calculated by multiplying the as reported amounts of Adjusted Net Income (Loss) and the key business metrics for such years by the average Brazilian *reais*/U.S. dollars exchange rates for the years ended December 31, 2023, 2022 and 2021 (R\$4.978, R\$5.133 and R\$5.415, to US\$1.00, respectively), 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 year ended December 31, 2024 (R\$5.468 to US\$1.00), so as to present what certain of our statement of income amounts and key business metrics would have been had exchange rates remained stable from these past periods/years until the year ended December 31, 2024.



The average Brazilian reais/U.S. dollars exchange rates were calculated as the average of the month-end rates for each month in the years 2024, 2023 and 2022, as reported by Bloomberg.

	As reported					FX Neutral measures				
	For the years ended			Percentage		For the years ended			Percentage	
	December 31,			change (%)		December 31,			change (%)	
	2024	2023	2022	2024 /2023	2023/ 2022	2024	2023	2022	2024/ 2023	2023/ 2022
Adjusted Net Income (Loss) (in US\$ millions):										
Net income (loss) attributable to shareholders of the parent company	1,972.1	1,030.6	(364.6)	91.4%	n.m	1,972.1	938.2	(342.2)	110.2%	n.m
Share-based compensation	408.2	289.3	282.5	41.1%	2.4%	408.2	263.4	265.2	55.0%	(0.7%)
Allocated tax effects on share-based compensation (1)	(137.3)	(89.7)	(73.4)	53.1%	22.2%	(137.3)	(81.7)	(68.9)	68.1%	18.6%
Hedge of the tax effects on share-based compensation	(35.5)	(33.7)	4.0	5.3%	n.m	(35.5)	(30.7)	3.8	15.6%	n.m
Contingent share award termination	-	-	355.6	n.m	n.m	-	-	333.8	n.m	n.m
Adjusted Net Income (Loss) for the year	2,207.5	1,196.5	204.1	84.5%	486.2%	2,207.5	1,089.2	191.6	102.7%	468.5%
n.m. = not meaningful.										

	As reported					FX Neutral measures				
	For the years ended			Percentage		For the years ended			Percentage	
	December 31,			change (%)		December 31,			change (%)	
	2024	2023	2022	2024/ 2023	2023/ 2022	2024	2023	2022	2024/ 2023	2023/ 2022
Other Key Business Metrics										
Purchase volume (in US\$ billions)	125.6	111.1	80.6	13.1%	37.8%	125.6	92.4	75.7	35.9%	22.1%
Monthly average revenue per active customer (in US\$)	11.1	9.6	7.8	15.6%	23.1%	11.1	8.8	7.3	26.1%	20.5%
Monthly average cost to serve per active customer (in US\$)	0.8	0.8	0.8	n.m	n.m	0.8	1.3	0.8	n.m.	n.m.
Revenue (in US\$ millions)	11,517.1	8,029.0	4,792.2	43.4%	67.5%	11,517.0	7,309.5	4,498.3	57.6%	62.5%
Gross Profit (in US\$ millions)	5,252.9	3,491.0	1,663.0	50.5%	109.9%	5,252.8	3,178.2	1,561.0	65.3%	103.6%

n.m. = not meaningful.

(1) Represents the tax effects of pre-tax items excluded from Adjusted Net Income (Loss). The tax effects of pre-tax items excluded from Adjusted Net Income (Loss) are computed using the statutory rate related to each jurisdiction that was impacted by the adjustment, after taking into account the effects of permanent and temporary tax differences.

FX Neutral measures for deposits and interest-earning portfolio presented in this document were calculated by multiplying the as reported amounts as of December 31, 2023, 2022 and 2021 by the spot Brazilian *reais*/U.S. dollars exchange rates as of these dates (R\$4.857, R\$5.280 and R\$5.576 to US\$1.00, respectively), 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 December 31, 2024 (R\$6.174 to US\$1.00) so as to present what these amounts would have been had exchange rates been the same as those on December 31, 2024. The Brazilian *reais*/U.S. dollars exchange rates were calculated using rates as of such dates as reported by Bloomberg.

	As reported					FX Neutral measures				
	As of December 31,			Percentage change (%)		As of December 31,			Percentage change (%)	
	2024	2023	2022	2024/ 2023	2023/ 2022	2024	2023	2022	2024/ 2023	2023/ 2022
Deposits (in US\$ billions)	28.9	23.7	15.8	21.9%	50.0%	28.9	18.6	13.5	55.4%	37.8%
Interest-earning portfolio (in US\$ billions)	11.2	8.2	4.0	36.6%	105.0%	11.2	6.4	3.8	75.0%	70.5%

Description of Principal Line Items

The following is a summary of the principal line items comprising our consolidated statements of income.

Total revenue

Our total revenue consists of the sum of our interest income and gains (losses) on financial instruments and fee and commission income, as detailed below:

Interest income and gains (losses) on financial instruments

Our interest and other financial income consists of interest income on loans, credit card receivables (revolving and refinanced credit card balances and personal loans) and other assets at amortized cost are calculated using the effective interest method, which allocates interest, and direct and incremental fees and costs over the expected lives of the assets. For the revolving balances, interest is calculated from the due date of the credit card bill that was not fully paid.

Gains (losses) on financial instruments comprises the changes of the fair value gains and losses from financial instruments. The income arises from both the sale and purchase of financial assets and from changes in fair value caused by movements in interest, equity prices, and other market variables, as well as the interest accrual on the fixed and floating rate securities.

Fee and commission income

Fee and commission income primarily comes from interchange fees we earn from purchases made using the credit and prepaid cards we issue to customers. We also earn revenue from our premium subscription product, late fees, recharge fees for mobile phones, insurance brokerage commission, and more.

- *Interchange fees.* Represents fees to authorize and provide settlement on credit and prepaid card transactions processed through the Mastercard network and are determined as a percentage of the total payment processed. Interchange fees, net of rewards revenue, are recognized and measured upon recognition of the transaction with the interchange networks, when the performance obligation is considered satisfied. The interchange rates agreed with Mastercard are fixed and are dependent on the segment of each merchant. Interchange income is withheld from the amount to be paid to third parties.
- *Rewards revenue.* Comprises revenue related to the Nu's Rewards subscription fee and the related interchange fee, initially apportioned in accordance with the relative stand-alone selling prices of the performance obligation assumed. It is recorded in the statement of income when the performance obligation is satisfied, which is when the reward points are redeemed by the customers.
- *Late fees.* Comprises fees charged when credit card bills are not paid by the due date by the relevant customer.
- *Recharge fees.* Comprises the selling price of prepaid telephone credits to customers, net of acquisition costs.
- *Other fee and commission income.* Mainly consists of: (i) brokerage commission income from third-party life insurance providers for sales made through our app, (ii) commission income from the issuance of *boletos* (banking payment slips), which is a printable document issued by merchants that is used to make payments in Brazil, (iii) fee income for cash withdrawals, and (iv) commission from partners for their sales made on our marketplace.

Fee and commission income is shown net of Brazilian federal income taxes. For more information on our revenue recognition policies, see note 4 of our audited consolidated financial statements.

Total cost of financial and transactional services provided

Total cost of financial and transactional services provided consists of the sum of our interest and other financial expenses, transactional expenses and credit loss allowance expenses, as detailed below:

Interest and other financial expenses

Interest and other financial expenses include: (i) interest expense accrued on deposits; (ii) interest expense relating to interest on our debt instruments and financing, and (iii) discounts on renegotiations of credit card and loans.

Transactional expenses

Transactional expenses comprise amounts related to data processing for transactions, payment scheme license fees, losses from chargeback relating to our credit and prepaid card transactions, expenses relating to the rewards program in order to fulfill the redemption of the points by customers, and other costs related to the connection to the payment systems in the countries that we operate. For further information on these costs, see note 6 to our audited consolidated financial statements. The most relevant transactional expenses are:

- Banking slip costs, which comprise costs of the issuance of *boletos* (banking payment slips) by banks;
- Rewards expenses, which comprise the costs incurred to fulfill the redemption of rewards points by our customers;
- Credit and prepaid card network costs, which are costs related to our payment scheme license, i.e., a fee paid to Mastercard to enable communications between network participants, access to specific reports, expenses related to projects involving the development of new functions, operational fixed fees, fees related to chargeback restatements and royalties;
- Financial system expenses, which are mainly related to financial services expenses such as fees over financial transactions, expenses with clearinghouses, and
- Other transaction expenses, which are mainly related to operational losses such as chargebacks. Losses from chargebacks consist of transactions credited back or refunded to the cardholder in the event of a billing dispute between a cardholder and the other participant in the credit transaction process is resolved in favor of the customer. Chargebacks may occur due to a variety of factors, such as a claim by the cardholder or cases of fraud. If we are unable to collect chargebacks or refunds from other participants, or if they refuse to or are unable to reimburse us for chargebacks or refunds due to closure, bankruptcy, or other circumstances, we bear the loss for the amounts paid to the cardholder.

Credit loss allowance expenses

Credit loss allowance expenses include losses associated with our credit card and loans receivable from our customers. We expect our credit loss to fluctuate depending on many factors, including transaction volume and credit limits, macroeconomic conditions, the impact of regulatory changes, and the credit quality of credit card and loans receivable. Additionally, credit loss also includes reversals of provisions and recoveries and are decreased by recoveries, when the customer pays us after the write-off of the receivable.

Gross profit

Gross profit consists of our total revenue minus total cost of financial and transactional services provided.

Operating expenses

Operating expenses are segregated into customer support and operations, general and administrative expenses, marketing expenses and other expenses (income).

Customer support and operations

Customer support and operations are represented by all the expenses incurred in our process of providing services to our customers, including:

- Infrastructure and data processing costs include technology, software, and other related costs, primarily related to the cloud infrastructure used by us and other software used in providing services to our customers. These costs associated exclusively with customers’ transactions are presented as “customer support and operations.” Infrastructure and data processing costs also include costs associated with credit and prepaid card fees paid to Mastercard on a quarterly basis based on the number of active cards;
- Credit analysis and collection costs include fees paid to the credit bureaus and costs related to collection agencies. The credit analysis costs that are not associated with the initial credit analysis of an applicant are presented as “customer support and operations”;
- Customer services costs primarily include our costs associated with customer services provided by service providers. The costs that are not exclusively related to the acquisition of new customers are presented as “customer support and operations”;
- Salaries and associated benefits expenses for customer services squads not associated with the acquisition of new customers are presented as “customer support and operations”;
- Credit and prepaid card issuance costs include printing, packing, shipping costs and other costs. Costs related to the first card of a customer are initially recorded as “deferred expenses” assets included in “other assets” and then amortized. The amortization related to the first card of the customer is presented as “general and administrative expenses” and the remaining costs, including the ones related to subsequent cards, are presented as “customer support and operations”; and

- Share-based compensation corresponds to the cost of our share-based programs and awards issued for customer services squads not associated with the acquisition of new customers are presented as “customer support and operations”.

General and administrative expenses

General and administrative expenses represent the amounts that we spend on research and development, certain back-office activities, indirect relations with our customers and overhead. These amounts consist of infrastructure and data-processing costs, credit analysis and collection costs, customer services, salaries and associated benefits, and credit and prepaid card issuance costs as explained in the customer and support operations description above. It also includes share-based compensation, specialized services expenses and other personnel costs, as follows:

- Share-based compensation corresponds to the cost of our share-based programs and awards issued;
- Specialized services expenses comprise miscellaneous costs from service providers;
- Other personnel costs are related to expenses related to medical assistance, meal benefit, life insurance, transportation and other benefits provided to all employees, excluding the part allocated as customer support and operations, as stated above; and
- 2021 Contingent share award (CSA) termination – On November 29, 2022 David Vélez, the Company’s Chief Executive Office, decided to terminate the 2021 Contingent Share Award. As a result of the termination, we recorded expenses of US\$355.6 million in the year ended on December 31, 2022 due to the acceleration of the vesting. After such one-time recognition, the Company will no longer account for any expense associated with the 2021 Contingent Share.

Marketing expenses

Marketing expenses relate to the production and distribution of our branding and advertising campaigns on media, online advertising, the positioning of our products on internet search platforms and expenses incurred in relation to trade marketing at events. It also contains salaries and benefits to employees dedicated exclusively to these activities.

Other expenses (income)

Other expenses (income) primarily consists of other income/expenses not classified in the foregoing categories of operating expenses.

Income taxes

Current income taxes comprise the income tax payable on profits based on the applicable tax law in each jurisdiction and is recognized as an expense in the period in which taxable profits arise. There is no taxation in the Cayman Islands on the income earned by us, and, as such, there is no tax impact at a consolidated level.

Our subsidiaries are subject to different income tax regimes and statutory rates. The table presents the statutory income tax rates in percentages for the main countries in which we operate:

Statutory income tax rates	2024	2023	2022
Brazil(1)	40%	40%	41%
Colombia	35%	35%	35%
Mexico	30%	30%	30%

(1) Comprises Brazilian Social Contribution tax (*Contribuição Social sobre o Lucro Líquido – CSLL*) and Brazilian Income Tax (*Imposto de Renda Pessoa Jurídica – IRPJ*). In August 2022, the Social Contribution tax rate in Brazil increased 1 percentage point, thus the combined income tax rate was increased from 40% to 41%.

Deferred income tax is the tax expected to be payable or recoverable on income tax losses available to carry forward and on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax liabilities are generally recognized for all temporary taxable differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the assets may be utilized as they reverse.

We review the carrying amount of deferred tax assets at each reporting date and reduce it to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

As a consequence of the current and deferred income taxes and the value of the permanent differences compared to the loss before income taxes, the effective tax rate of our consolidated operations fluctuates over time according to the portion of our total net income that was generated in each of these entities.



Results of Operations

Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

The following table sets forth our statements of income data for the years ended December 31, 2024 and 2023:

	For the years ended December 31,		Variation (\$)	Variation (%)
	2024	2023		
	(in US\$ millions, except amounts per share)			
Interest income and gains (losses) on financial instruments	9,631.1	6,439.7	3,191.4	49.6%
Fee and commission income	1,886.0	1,589.3	296.7	18.7%
Total revenue	11,517.1	8,029.0	3,488.1	43.4%
Interest and other financial expenses	(2,834.9)	(2,036.9)	(798.0)	39.2%
Transactional expenses	(260.3)	(215.9)	(44.4)	20.6%
Credit loss allowance expenses	(3,169.0)	(2,285.2)	(883.8)	38.7%
Total cost of financial and transactional services provided	(6,264.2)	(4,538.0)	(1,726.2)	38.0%
Gross profit	5,252.9	3,491.0	1,761.9	50.5%
Operating expenses				
Customer support and operations	(604.6)	(488.1)	(116.5)	23.9%
General and administrative expenses (G&A)	(1,256.1)	(1,042.3)	(213.8)	20.5%
Marketing expenses	(246.4)	(171.1)	(75.3)	44.0%
Other income (expenses)	(350.6)	(250.4)	(100.2)	40.0%
Total operating expenses	(2,457.7)	(1,951.9)	(505.8)	25.9%
Income before income taxes	2,795.2	1,539.1	1,256.1	81.6%
Income taxes				
Current taxes	(1,536.5)	(1,184.2)	(352.3)	29.8%
Deferred taxes	713.4	675.7	37.7	5.6%
Total income taxes	(823.1)	(508.5)	(314.6)	61.9%
Net income for the year	1,972.1	1,030.6	941.5	91.4%



Total revenue

Total revenue for the year ended December 31, 2024 was US\$11,517.1 million, an increase of US\$3,488.1 million, or 43.4%, from US\$8,029.0 million for the year ended December 31, 2023, primarily attributable to a significant growth in 2024 in our revenues related to interest income from our credit card and loan operations as well as interchange fees (as-total purchase volume grew 13%). Contributing to this increase was the higher interest income from the consumer finance portfolio that can be attributed to the expansion of personal loans and credit cards. Also, the interchange fees increased US\$192.7 million, an increase of 16.2% compared to US\$1,187.9 million for the year ended December 31, 2023 driven by prepaid volume growth of 19.7%, mainly related to Brazil operations. The components of our total revenue are detailed below:

	For the Years Ended December 31,		Variation (\$)	Variation (%)
	2024	2023		
Interest income – credit card	3,802.4	2,521.9	1,280.5	50.8%
Interest income – loan	3,038.7	1,650.4	1,388.3	84.1%
Interest income – other assets at amortized cost	1,279.0	851.2	427.8	50.3%
Interest income – other receivables	324.2	398.5	(74.3)	(18.6)%
Interest income and gains (losses) on financial instruments at fair value	1,288.0	973.0	315.0	32.4%
Other	(101.2)	44.7	(145.9)	(326.4)%
Total interest income and gains (losses) on financial instruments	9,631.1	6,439.7	3,191.4	49.6%
Interchange fees	1,380.6	1,187.9	192.7	16.2%
Late fees	287.5	180.7	106.8	59.1%
Recharge fees	36.7	48.7	(12.0)	(24.6)%
Insurance commission	29.1	24.4	4.7	19.3%
Rewards revenue	27.2	24.3	2.9	11.9%
Other fee and commission income	124.9	123.3	1.6	1.3%
Total fee and commission income	1,886.0	1,589.3	296.7	18.7%
Total revenue	11,517.1	8,029.0	3,488.1	43.4%

Total interest income and gains (losses) on financial instruments. Total interest income and gains (losses) on financial instruments for the year ended December 31, 2024 was US\$9,631.1 million, an increase of US\$3,191.4 million, or 49.6%, from US\$6,439.7 million for the year ended December 31, 2023, primarily attributable to (i) an increase in interest income from the loan portfolio (US\$ 1,388.3 million, or 84.1% increase in interest income - loan) and credit card receivables (US\$ 1,280.5 million, or 50.8% increase in interest income - credit card), mainly driven by the growth in customer base, an increase in 20.3 million customers or 21.3% in 2024, and consequent increase in purchased volume; and an increase in the Pix transfers using credit card limits, a feature that has grown and has an associated interest rate; and (ii) an increase of US\$427.8 million, or 50.3% in Interest income – other assets at amortized cost, due to growth in voluntary deposits, as a result of the expansion of our deposit portfolio, and an increase of securities at amortized cost.

Total fee and commission income. Total fee and commission income for the year ended December 31, 2024 was US\$1,886.0 million, an increase of US\$296.7 million, or 18.7%, from US\$1,589.3 million for the year ended December 31, 2023, primarily attributable to (i) an increase of US\$ 192.7 million, or 16.2% in interchange fees arising from the increased purchased volume with credit and prepaid card resulting from an increase in the number of customers, (ii) an increase of US\$106.8 million, or 59.1% in late fees, as a result of the portfolio growth of 30% in 2024, and (iii) an increase of US\$ 4.7 million, or 19.3% in insurance commission driven by the increase in insurance brokerage services provided for customers.

Total cost of financial and transactional services provided

Total cost of financial and transactional services provided for the year ended December 31, 2024 was US\$6,264.2 million, an increase of US\$1,726.2 million, or 38.0%, from US\$4,538.0 million for the year ended December 31, 2023, as detailed below.

	For the Years Ended December 31,		Variation (\$)	Variation (%)
	2024	2023		
Interest expense on deposits	(2,342.2)	(1,723.8)	(618.4)	35.9%
Interest expense on debt instruments and financing	(259.4)	(136.4)	(123.0)	90.2%
Other interest and similar expenses	(233.3)	(176.7)	(56.6)	32.0%
Interest and other financial expenses	(2,834.9)	(2,036.9)	(798.0)	39.2%
Bank slip costs	(20.2)	(23.9)	3.7	(15.5)%
Rewards expenses	(68.5)	(58.3)	(10.2)	17.5%
Credit and debit card network costs	(63.4)	(52.2)	(11.2)	21.5%
Financial system expenses	(15.0)	(23.1)	8.1	(35.1)%
Other transactional expenses	(93.2)	(58.4)	(34.8)	59.8%
Total transactional expenses	(260.3)	(215.9)	(44.4)	20.6%
Credit loss allowance expenses	(3,169.0)	(2,285.2)	(883.8)	38.7%
Total cost of financial and transactional services provided	(6,264.2)	(4,538.0)	(1,726.2)	38.0%

Interest and other financial expenses. Interest and other financial expenses for the year ended December 31, 2024 were US\$2,834.9 million, an increase of US\$798.0 million, or 39.2%, from US\$2,036.9 million for the year ended December 31, 2023, mainly attributable to: (i) an increase of US\$618.4 million or 35.9% in interest expenses on deposits due to an increase in the volume of deposits of US\$5.2 billion, or 21.8%, reaching US\$28.9 billion as of December 31, 2024, compared to US\$23.7 billion as of December 31, 2023, mainly related to the increase in customer base of Brazil and Mexico and the launch of NuAccount in Colombia in 2024, and (ii) an increase of US\$123.0 million or 90.2% in interest expenses on debt instruments and financing mainly related to the increase in interest expenses due to the increase in financial letters issued during the year and the increase in interests on repurchase agreements during the year.

Transactional expenses. Transactional expenses for the year ended December 31, 2024 were US\$260.3 million, an increase of US\$44.4 million, or 20.6% from US\$215.9 million for the year ended December 31, 2023, primarily attributable to: (i) an increase of US\$34.8 million or 59.8% in other transactional expenses reflecting an increase in operational losses and costs to improve our infrastructure, (ii) an increase of US\$11.2 million or 21.5% in credit and debit card network costs; and (iii) an increase of US\$10.2 million or 17.5% in rewards expenses which were offset by a decrease in costs related to bank slip costs and financial system expenses. The transactional expenses increase is related to the growth of Nu's customer base and purchase volume.

Credit loss allowance expenses. Credit loss allowance expenses for the year ended December 31, 2024 were US\$3,169.0 million, an increase of US\$883.8 million, or 38.7%, from US\$2,285.2 million for the year ended December 31, 2023, and it was comprised of an increase in allowance expenses for credit card receivables of US\$328.4 million, or 19.4%, and an increase in allowance expenses for loan to customers of US\$559.0 million, or 94.6%. The increase for credit card receivables reflects a slight growth in the purchase volume and the credit card balances to US\$14.6 billion as of December 31, 2024, from US\$14.5 billion as of December 31, 2023. The increase in receivables classified as high risk in level 3 increased to US\$1,392.3 million, or US\$285.9 million, or 25.8%, as of December 31, 2024, compared with US\$1,106.4 million as of December 31, 2023. The increase from loan to customers reflects mainly the growth in the loan portfolio to US\$6.1 billion as of December 31, 2024, from US\$3.7 billion as of December 31, 2023, or an increase of US\$2.4 billion or 64.7%. The total ECL allowance for credit cards and loans was 15.4% of the total receivable balance of credit cards and loans as of December 31, 2024, up from 14.3% as of December 31, 2023. For more information, see notes 13 for credit card receivables and 14 for loans to customers to our audited consolidated financial statements.

Gross Profit

As a result of the foregoing, our gross profit for the year ended December 31, 2024 was US\$5,252.9 million, an increase of US\$1,761.9 million, or 50.5%, compared to US\$3,491.0 million for the year ended December 31, 2023. Our gross margin (gross profit divided by total revenue) increased, reaching 45.6% for the year ended December 31, 2024, compared to 43.5% for the year ended December 31, 2023.

Operating expenses

Operating expenses for the year ended December 31, 2024 were US\$2,457.7 million, an increase of US\$505.8 million, or 25.9%, from US\$1,951.9 million for the year ended December 31, 2023. Operating expenses represented 21.3% of our total revenue in 2024, compared to 24.3% in 2023. The main changes leading to the increase in operating expenses in the period are explained below.

	For the Years Ended December 31,		Variation (\$)	Variation (%)
	2024	2023		
Customer support and operations	604.6	488.1	116.5	23.9%
General and administrative expenses	1,256.1	1,042.3	213.8	20.5%
Marketing expenses	246.4	171.1	75.3	44.0%
Other income (expenses)	350.6	250.4	100.2	40.0%
Total operating expenses	2,457.7	1,951.9	505.8	25.90%

Customer support and operations. Customer support and operations expenses for the year ended December 31, 2024 were US\$604.6 million, an increase of US\$116.5 million, or 23.9%, from US\$488.1 million for the year ended December 31, 2023, primarily attributable to (i) US\$47.2 million in infrastructure and data processing costs, (ii) US\$22.6 million in expenses with credit analysis and collection costs and (iii) US\$14.4 million in expenses with depreciation and amortization, mainly driven by the increase of internally developed intangibles, which totaled an addition of US\$154.6 million for the year ended December 31, 2024. See note 19 to our audited consolidated financial statements for more details. Each of (i) and (ii) was driven by the increase of new customers volume in 2024, reaching 114.0 million customers for the year ended December 31, 2024 from 94.0 million customers for the year ended December 31, 2023, resulting in an increase of 21.3%.

General and administrative expenses. General and administrative expenses for the year ended December 31, 2024 were US\$1,256.1 million, an increase of US\$213.8 million, or 20.5%, from US\$1,042.3 million for the year ended December 31, 2023, primarily attributable to: (i) an increase of US\$81.8 million in share-based compensation attributed to growth in employee headcount and the increase in the social charges expenses from share-based compensation due to the increase in share price in 2024, (ii) an increase of US\$49.4 million in salaries and associated benefits due to an increase in the compensation paid and the associated social charges and (iii) an increase of US\$39.3 million in other expenses due to increases in lawsuits and legal losses.



Marketing expenses. Marketing expenses for the year ended December 31, 2024 were US\$246.4 million, an increase of US\$75.3 million, or 44.0%, from US\$171.1 million for the year ended December 31, 2023, primarily due to (i) an increase of US\$29.7 million in expenses related to digital and traditional advertising expenses; and, (ii) an increase of US\$40.3 million as expenses related to the repurchases of NuCoin, due to the repositioning of NuCoin as part of a new loyalty program being developed for Nubank's customers, which led to the discontinuation of the liquidity pool previously mentioned.

Other income (expenses). Other income (expenses) for the year ended December 31, 2024 was an expense of US\$350.6 million, an increase of US\$100.2 million, or 40%, from an expense of US\$250.4 million for the year ended December 31, 2023, primarily attributable to (i) an increase of US\$112.3 million in taxes on financial income, and (ii) partially offset by a decrease of US\$12.1 million recognized as foreign exchange fluctuations

Income before income taxes

As a result of the foregoing, income before income taxes for the year ended December 31, 2024 was US\$2,795.2 million, an increase of US\$1,256.1 million, or 81.6%, from US\$1,539.1 million for the year ended December 31, 2023.

Income taxes

Income taxes for the year ended December 31, 2024 were a tax expense of US\$823.1 million, an increase of US\$314.6 million, from a tax expense of US\$508.5 million for the year ended December 31, 2023. The effective income tax rates were 29.4% and 33.0% in the years 2024 and 2023, respectively.

Net income for the year

As a result of the foregoing, net income for the year ended December 31, 2024 was US\$1,972.1 million, an increase of US\$941.5 million, or 91.4%, from a net income of US\$1,030.6 million for the year ended December 31, 2023.

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

The following table sets forth our statement of income data for the years ended December 31, 2023 and 2022:

	For the Years Ended December 31,		
	2023	2022	Variation (%)
	(in US\$ millions, except percentages)		
Interest income and gains (losses) on financial instruments	6,439.7	3,555.2	81.1%
Fee and commission income	1,589.3	1,237.0	28.5%
Total revenue	8,029.0	4,792.2	67.5%
Interest and other financial expenses	(2,036.9)	(1,547.9)	31.6%
Transactional expenses	(215.9)	(176.4)	22.4%
Credit loss allowance expenses	(2,285.2)	(1,404.9)	62.7%
Total cost of financial and transactional services provided	(4,538.0)	(3,129.2)	45.0%
Gross profit	3,491.0	1,663.0	109.9%
Operating Expenses			
Customer support and operations	(488.1)	(335.4)	45.5%
General and administrative expenses ("G&A")	(1,042.3)	(1,333.3)	(21.8)%
<i>Contingent share award (CSA) termination</i>	–	(355.6)	<i>n.m.</i>
<i>G&A – Other</i>	(1,042.3)	(977.7)	6.6%
Marketing expenses	(171.1)	(152.9)	11.9%
Other expenses (income)	(250.4)	(150.3)	66.6%
Total operating expenses	(1,951.9)	(1,971.9)	(1.0)%
Income (loss) before income taxes	1,539.1	(308.9)	(598.0)%
Income Taxes			
Current taxes	(1,184.2)	(473.3)	150.2%
Deferred taxes	675.7	417.6	61.8%
Total income taxes	(508.5)	(55.7)	812.9%
Net income (loss) for the year	1,030.6	(364.6)	(385.7)%

n.m. = not meaningful.



Total revenue

Total revenue for the year ended December 31, 2023 was US\$8,029.0 million, an increase of US\$3,236.8 million, or 67.5%, from US\$4,792.2 million for the year ended December 31, 2022, primarily attributable to a significant growth in 2023 in our revenues related to interest income from our credit card and loans operations as well as interchange fees (as-total purchase volume grew 37%). Contributing to this increase was the higher interest income from the consumer finance portfolio that can be attributed to the expansion of personal loans and credit cards. Also, the interchange fees increased as total purchase volume grew 37% in the year driven by prepaid volume growth of 18.5%. The components of our total revenue are detailed below:

	For the Years Ended December 31,		Variation (%)
	2023	2022	
Interest income – credit card	2,521.9	1,014.9	148.5%
Interest income – loan	1,650.4	932.2	77.0%
Interest income – other assets at amortized cost	851.2	388.7	119.0%
Interest income – other receivables	398.5	161.0	147.5%
Interest income and gains (losses) on financial instruments at fair value	1,017.7	1,058.4	(3.8%)
Total interest income and gains (losses) on financial instruments	6,439.7	3,555.2	81.1%
Interchange fees	1,187.9	917.4	29.5%
Late fees	180.7	104.5	72.9%
Recharge fees	48.7	77.5	(37.2%)
Rewards revenue	24.3	22.4	8.5%
Other fee and commission income	147.7	115.2	28.2%
Total fee and commission income	1,589.3	1,237.0	28.5%
Total revenue	8,029.0	4,792.2	67.5%

n.m. = not meaningful.

Total interest income and gains (losses) on financial instruments. Total interest income and gains (losses) on financial instruments for the year ended December 31, 2023 was US\$6,439.7 million, an increase of US\$2,884.5 million, or 81.1%, from US\$3,555.2 million for the year ended December 31, 2022, primarily attributable to: (i) an increase in interest income from our loan portfolio (US\$718.1 million, or 77.0%, increase in interest income – loan) and credit card receivables (US\$1,507.0 million, or 148.5%, increase in interest income – credit card) reflecting the combined effect of the growth of our customer base of 26% in the year, reaching 93.9 million customers as of December 31, 2023 compared to 74.6 million customers as of December 31, 2022 and the increase in the CDI rate in 2023 (the CDI rate was an average of 13.2% p.a. compared to an average of 12.4% p.a. in 2022), (ii) an increase in interest income – other assets at amortized costs of US\$462.5 million, or 119.0% (iii) an increase in interest income – other receivables of US\$237.5 or 147.5%. The increases of item (ii) and (iii) are related to the increase in the CDI rate in 2023, the growth on the acquisition of credit card receivables from acquirers and the compulsory and other deposits at central banks.

Total fee and commission income. Total fee and commission income for the year ended December 31, 2023 was US\$ 1,589.3 million, an increase of US\$352.3 million, or 28.5%, from US\$1,237.0 million for the year ended December 31, 2022, primarily attributable to: (i) an increase of US\$270,5 million or 29.5% in our interchange fees arising from the increased purchase volume with our credit and debit cards resulting from an increase in the number of clients, (ii) an increase of US\$ 76.2 million or 72.9% in our late fees, specially the credit cards in Brazil and loans, as a result of the portfolio growth of 30% in the year, and (iii) an increase of US\$32.5 million or 28.2% increase in other fee and commission income – which were mainly caused by (a) an increase of US\$3.9 million in commission related to the higher volume of operation on automated teller machines (ATMs), (b) an increase of US\$7.1 million from FX spread revenue, and (c) an increase of US\$7.8 million in commissions from insurance and brokerage services.

Total cost of financial and transactional services provided

Total cost of financial and transactional services provided for the year ended December 31, 2023 was US\$4,538.0 million, an increase of US\$1,408.8 million, or 45.0%, from US\$3,129.2 million for the year ended December 31, 2022, as detailed below.

	For the Years Ended December 31,		Variation (%)
	2023	2022	
Interest expense on deposits	(1,723.8)	(1,407.9)	22.4%
Other interest and similar expenses	(313.1)	(140.0)	123.6%
Interest and other financial expenses	(2,036.9)	(1,547.9)	31.6%
Bank slip costs	(23.9)	(34.0)	(29.7)%
Rewards expenses	(58.3)	(42.3)	37.8%
Credit and debit card network costs	(52.2)	(55.0)	(5.1)%
Other transactional expenses	(81.5)	(45.1)	80.7%
Total transactional expenses	(215.9)	(176.4)	22.4%
Credit loss allowance expenses	(2,285.2)	(1,404.9)	62.7%
Total cost of financial and transactional services provided	(4,538.0)	(3,129.2)	45.0%

Interest and other financial expenses. Interest and other financial expenses for the year ended December 31, 2023 were US\$2,036.9 million, an increase of US\$489.0 million, or 31.6%, from US\$1,547.9 million for the year ended December 31, 2022, mainly attributable to an increase of US\$315.9 million or 22.4% in interest expenses on deposits due to (i) the increase in the CDI rate in 2023 (the CDI rate was an average of 13.2% compared to an average of 12.4% in 2022) and (ii) an increase in the volume of deposits of US\$7.9 billion reaching US\$23.7 billion, or 50%, compared to US\$15.8 billion as of December 31, 2022, mainly related to the increase in customer base of Brazil and the launch of "Cuenta Nu" in Mexico in 2023.

Transactional expenses. Transactional expenses for the year ended December 31, 2023 were US\$215.9 million, an increase of US\$39.5 million, or 22.4%, from US\$176.4 million for the year ended December 31, 2022, primarily attributable to: (i) an increase of US\$36.4 million or 80.7% in other transactional expenses reflecting an increase in operational losses and costs to improve our infrastructure; (ii) an increase of US\$16.0 million or 37.8% in rewards expenses following the growth of our customer base and the purchase volume; and partially offset by (iii) the decrease of US\$10.1 million, or 42%, in bank slip costs due to the increase in direct payments from the account.

Credit loss allowance expenses. Credit loss allowance expenses for the year ended December 31, 2023 were US\$2,285.2 million, an increase of US\$880.3 million, or 62.7%, from US\$1,404.9 million for the year ended December 31, 2022, and it was comprised of an increase in allowance expenses for credit card receivables of US\$783.4 million, or 86.3%, and an increase in allowance expenses for loan to customers of US\$93.4 million, or 18.8%. The increase for credit card receivables reflects the growth of the purchase volume and the credit card balances to US\$14.5 billion as of December 31, 2023, from US\$9.3 billion as of December 31, 2022, or an increase of US\$5.2 billion, or 56.4%, and the increase in receivables classified as high risk in level 3 to US\$1,106.4 million, as of December 31, 2023 compared with US\$598.8 million of December 31, 2022. The increase from loan to customers reflects mainly the increase in the loan portfolio to US\$3.7 billion as of December 31, 2023 from US\$2.0 billion as of December 31, 2022, or an increase of US\$1.7 billion or 87.9%. The total ECL allowance for credit cards and loans was 14.2% of the total receivable balance of credit cards and loans as of December 31, 2023, up from 11.9% as of December 31, 2022. For more information, see notes 13 for credit card receivables and 14 for loans to customers to our audited consolidated financial statements.



Gross Profit

As a result of the foregoing, our gross profit for the year ended December 31, 2023 was US\$3,491.0 million, an increase of US\$1,828.0 million, or 109.9%, compared to US\$1,663.0 million for the year ended December 31, 2022. Our gross margin (gross profit divided by total revenue) increased, reaching 43.5% for the year ended December 31, 2023, compared to 35.0% for the year ended December 31, 2022.

Operating expenses

Operating expenses for the year ended December 31, 2023 were US\$1,951.9 million, a decrease of US\$ 20 million, or 1%, from US\$1,971.9 million for the year ended December 31, 2022. Operating expenses represented 24.3% of our total revenue in 2023, compared to 41.1% in 2022. The main changes leading to the decrease in operating expenses in the period are explained below.

	For the Years Ended December 31,		
	2023	2022	Variation (%)
Customer support and operations	(488.1)	(335.4)	45.5%
General and administrative expenses ("G&A")	(1,042.3)	(1,333.3)	(21.8)%
Contingent share award (CSA) termination	-	(355.6)	n.m.
	2023	2022	Variation (%)
G&A – Other	(1,042.3)	(977.7)	6.6%
Marketing expenses	(171.1)	(152.9)	11.8%
Other expenses (income)	(250.4)	(150.3)	66.7%
Total operating expenses	(1,951.9)	(1,971.9)	(1.0)%

n.m. = not meaningful.

Customer support and operations. Customer support and operations expenses for the year ended December 31, 2023 were US\$488.1 million, an increase of US\$152.7 million, or 45.5%, from US\$335.4 million for the year ended December 31, 2022, primarily attributable to an increase of: (i) US\$54.5 million in infrastructure and data processing costs, (ii) US\$35.1 million in credit analysis and collection costs, and (iii) US\$14.0 million in credit and prepaid card issuance costs. Each of (i), (ii) and (iii) driven by the increase of new customers volume in 2023 of 37.3% when compared to 2022. The increase in the purchase volume was higher proportionally compared to the increase in these expenses because of efficiency gains in data processing and our foreign exchange hedging strategy for these expenses. Expenses with salaries and associated benefits increased 16.16% mainly due to the increase in salaries as a result of a collective bargain agreement and the compensation such as bonus and PPR (Results-Sharing Program).

General and administrative expenses. General and administrative expenses for the year ended December 31, 2023 were US\$1,042.3 million, a decrease of US\$291.0 million, or 21.8%, from US\$1,333.3 million for the year ended December 31, 2022, primarily attributable to: (i) termination of Contingent Share Award in 2022 in the amount of US\$335.6 million without correspondent amount in 2023; (ii) a decrease of US\$34.7 million in share-based compensation due the hedge of corporate and social taxes. Additionally, partially offset by (ii) an increase of US\$25.4 million in salaries and associated benefits due to the compensation paid increased, such as bonus and PPR to attract and retain employees; and (iv) an increase of US\$30.2 million in infrastructure and data processing costs related to the increase in customer transactions volume.

Marketing expenses. Marketing expenses for the year ended December 31, 2023 were US\$171.0 million, an increase of US\$18.1 million, or 11.8%, from US\$152.9 million for the year ended December 31, 2022, primarily due to the increase of US\$10.5 million in marketing expenses as result of paid media on television broadcasters in Brazil, Mexico and Colombia as well as marketing campaigns on digital and external media.

Other expenses (income). Other expenses (income) for the year ended December 31, 2023 was an expense of US\$250.5 million, an increase of US\$100.2 million, or 66.7%, from an expense of US\$150.3 million for the year ended December 31, 2022, primarily attributable to the increase in PIS and COFINS on financial income (US\$225.6 million), due to the increase in the total financial income.

Income (loss) before income taxes

As a result of the foregoing, income before income taxes for the year ended December 31, 2023 was US\$1,539.1 billion, an increase of US\$1,848.0 billion from prior year loss of US\$308.9 million for the year ended December 31, 2022.

Income taxes

Income taxes for the year ended December 31, 2023 were a tax expense of US\$508.5 million, an increase of US\$452.8 million, from a tax expense of US\$55.7 million for the year ended December 31, 2022. The effective income tax rates were 33.0% and 18.0% in the years 2023 and 2022, respectively, primarily due to income before interest and taxes close to breakeven in 2022.

Net income (loss) for the year

As a result of the foregoing, net income for the year ended December 31, 2023 was a net income of US\$1,030.6 million, an increase of US\$1,395.2 million, or 382.7%, from a loss of US\$364.6 million for the year ended December 31, 2022.

Exchange Rates

While we maintain our books and records in U.S. dollars, the presentation currency for our financial statements and also our functional currency, as a holding company, our material assets are our direct and indirect equity interests in our subsidiaries, and we are therefore dependent upon the results of operations of our subsidiaries, which are denominated primarily in the local currencies of the Latin American countries in which we operate, and as such our consolidated results of operations may be affected by changes in the local exchange rates to the U.S. dollar. We have significant operations in Brazil, Mexico and Colombia. The exchange rates discussed in this section have been obtained from each country’s central bank. However, in most cases, for consolidation purposes, we use a foreign currency to U.S. dollar exchange rate provided by Bloomberg that differs slightly from that reported by the aforementioned central banks. For more information, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our holding company structure makes us dependent on the operations of our subsidiaries” and “Item 3. Key Information—D. Risk Factors—Risks Relating to the Countries in Which We Operate—Exchange rate and interest rate instability may have a material adverse effect on the economies of the countries in which we operate and the price of our Class A ordinary shares” and “Presentation of Financial and Other Information—Financial Statements.”

Brazil

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of reais by any person or legal entity, regardless of the amount, subject to certain regulatory procedures.

The real/U.S. dollar exchange rate reported by the Central Bank of Brazil was R\$5.197 per US\$1.00 on December 31, 2020, which reflected a 29% depreciation in the real against the U.S. dollar since December 31, 2019. The real/U.S. dollar exchange rate reported by the Central Bank of Brazil was R\$5.581 per US\$1.00 on December 31, 2021, which reflected a 7.4% depreciation in the real against the U.S. dollar since December 31, 2020. The real/U.S. dollar exchange rate reported by the Central Bank of Brazil was R\$5.218 per US\$1.00 on December 31, 2022, which reflected a 6.5% appreciation in the real against the U.S. dollar since December 31, 2021. The real/U.S. dollar exchange rate reported by the Central Bank of Brazil was R\$4.841 per US\$1.00 on December 31, 2023, which reflected a 7.2% appreciation in the real against the U.S. dollar since December 31, 2022. The real/U.S. dollar exchange rate reported by the Central Bank of Brazil was R\$6.192 per US\$1.00 on December 31, 2024, which reflected a 27.9% depreciation in the real against the U.S. dollar since December 31, 2023. There can be no assurance that the real will not depreciate or appreciate further against the U.S. dollar.

The Central Bank of Brazil has previously intervened in the foreign exchange market to attempt to control instability in foreign exchange rates. We cannot predict whether the Central Bank of Brazil or the Brazilian government will continue to allow the real to float freely or to what extent it will intervene in the exchange rate market by re-implementing a currency band system or otherwise. The real may depreciate or appreciate substantially against the U.S. dollar in the future. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are serious reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot guarantee that the Brazilian government will not place restrictions on remittances of foreign capital abroad in the future.

The following table sets forth, for the periods indicated, the high, low, average and period-end exchange rates for the purchase of U.S. dollars expressed in Brazilian reais per U.S. dollar. The average rate is calculated by using the average of reported exchange rates by the Central Bank of Brazil on each business day during monthly and annual periods, as applicable. As of December 31, 2024, the exchange rate for the purchase of U.S. dollars as reported by the Central Bank of Brazil was R\$6.192 per US\$1.00.

Year	Year-end	Average ¹	Low ²	High ³
2020	5.197	5.158	4.021	5.937
2021	5.581	5.396	4.921	5.840
2022	5.218	5.165	4.618	5.704
2023	4.841	4.995	4.720	5.446
2024	6.192	5.392	4.854	6.199

Source: Central Bank of Brazil.

1. Represents the average of the exchange rates on the closing of each business day during the year.
2. Represents the minimum of the exchange rates on the closing of each business day during the year.
3. Represents the maximum of the exchange rates on the closing of each business day during the year.

Month	Period-end	Average ¹	Low ²	High ³
October 2024	5.778	5.624	5.431	5.780
November 2024	6.054	5.807	5.662	6.054
December 2024	6.192	6.097	5.941	6.199
January 2025	5.830	6.022	5.830	6.209
February 2025	5.849	5.766	5.698	5.869
March 2025	5.742	5.747	5.663	5.835
April 2025 (through April 14, 2025)	5.843	5.830	5.607	6.061

Source: Central Bank of Brazil.

1. Represents the average of the exchange rates on the closing of each business day during the month.
2. Represents the minimum of the exchange rates on the closing of each business day during the month.
3. Represents the maximum of the exchange rates on the closing of each business day during the month.

Mexico

For the last years, the Foreign Exchange Commission of the Mexican government has maintained a policy of nonintervention in the foreign exchange markets, other than conducting auctions for the purchase of U.S. dollars, aimed at ensuring financial stability of the local foreign exchange market Although Mexico has not had in effect any exchange controls in recent years, these controls have existed and have been in effect in the past. We cannot guarantee that the Mexican government will maintain its current policies with regard to the Mexican peso or that the Mexican peso will not further depreciate or appreciate significantly in the future.

The following table sets forth, for the periods indicated, the high, low, average and period-end free-market exchange rates for the purchase of U.S. dollars, expressed in nominal Mexican pesos per U.S. dollar, as reported by the Central Bank of Mexico in the Federal Official Gazette. All amounts are stated in Mexican pesos per U.S. dollar. The annual and interim average rates, as well as monthly average rates, reflect the average of daily rates.

Year	Year-end	Average ¹	Low ²	High ³
2020 ⁴	19.949	21.518	18.571	25.119
2021 ⁴	20.584	20.282	19.579	21.819
2022	19.509	20,114	19.166	21.333
2023	16.967	17.730	16.673	19.475
2024	20.883	18.331	16.337	20.883

Source: Central Bank of Mexico.

1. Represents the average of the exchange rates on the closing of each business day during the year.
2. Represents the minimum of the exchange rates on the closing of each business day during the year.
3. Represents the maximum of the exchange rates on the closing of each business day during the year.
4. Series used for 2020 and 2021 are FIX exchange rates of 2 days after “determination”.

Month	Period-end	Average ¹	Low ²	High ³
October 2024	20.011	19.710	19.259	20.170
November 2024	20.361	20.344	19.867	20.689
December 2024	20.883	20.278	20.034	20.883
January 2025	20.687	20.547	20.286	20.819
February 2025	20.578	20.455	20.273	20.598
March 2025	20.460	20.250	19.924	20.743
April 2025 (through April 14, 2025)	20.103	20.381	19.943	20.808

1. Represents the average of the exchange rates on the closing of each business day during the month.
2. Represents the minimum of the exchange rates on the closing of each business day during the month.
3. Represents the maximum of the exchange rates on the closing of each business day during the month.

Colombia

The Colombian government and the Colombian Central Bank have considerable power to determine governmental policies and actions that relate to the Colombian economy and, consequently, to affect the operations and financial performance of businesses. The Colombian government and the Colombian Central Bank may seek to implement additional measures aimed at controlling further fluctuation of the Colombian peso against other currencies and fostering domestic price stability. The Colombian Central Bank and the Colombian Ministry of Finance and Public Credit (*Ministerio de Hacienda y Crédito Público*, or “MHCP”) have in the past adopted a set of measures intended to tighten monetary policy and control the fluctuation of the Colombian peso against the U.S. dollar. Colombia has a free market for foreign exchange, and the Colombian government allows the Colombian peso to float freely against the U.S. dollar. There can be no assurance that the Colombian government will maintain its current policies with regard to the Colombian peso or that the Colombian peso will not depreciate or appreciate significantly in the future.

The Colombian Central Bank establishes the parameters that must be observed in order to calculate the Representative Market Rate (*Tasa Representativa del Mercado*); then, the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*, or “SFC”) proceeds to compute and certify the Representative Market Rate based on the weighted averages of the buy/sell foreign exchange rates quoted daily by certain financial institutions for the purchase and sale of foreign currency.

The following table sets forth, for the periods indicated, the high, low, average and period-end exchange rates for the purchase of U.S. dollars expressed in Colombian pesos per U.S. dollar as certified by the SFC. The rates shown below are in nominal Colombian pesos and have not been restated in constant currency units. The average rate is calculated by using the average of reported exchange rates by the Colombian Central Bank on each business day during monthly and annual periods, as applicable.

Year	Year-end	Average ¹	Low ²	High ³
2020	3,432.50	3,693.36	3,253.89	4,153.91
2021	3,981.16	3,743.09	3,420.78	4,023.68
2022	4,810.20	4,255.44	3,706.95	5,061.21
2023	3,822.05	4,325.05	3,822.05	4,989.58
2024	4,409.15	4,071.35	3,763.43	4,478.21

Source: Colombian Central Bank.

- Represents the average of the exchange rates on the closing of each business day during the year.
- Represents the minimum of the exchange rates on the closing of each business day during the year.
- Represents the maximum of the exchange rates on the closing of each business day during the year.

Month	Period-end	Average ¹	Low ²	High ³
October 2024	4,413.460	4,249.470	4,173.660	4,413.460
November 2024	4,419.590	4,408.652	4,344.550	4,478.210
December 2024	4,409.150	4,385.149	4,324.190	4,462.970
January 2025	4,170.010	4,307.567	4,170.010	4,410.500
February 2025	4,120.110	4,127.954	4,073.560	4,198.660
March 2025	4,192.570	4,137.685	4,076.700	4,192.570
April 2025 (through April 14, 2025)	4,338.360	4,284.645	4,130.010	4,416.690

Source: Colombian Central Bank.

- Represents the average of the exchange rates on the closing of each business day during the month.
- Represents the minimum of the exchange rates on the closing of each business day during the month.
- Represents the maximum of the exchange rates on the closing of each business day during the month.

B. Liquidity and Capital Resources

Cash flows

As of December 31, 2024 and 2023, we had US\$9,185.7 million and US\$5,923.4 million, respectively, in cash and cash equivalents. We believe that our current available cash and cash equivalents and the projected cash flows from our operating activities will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next 12 months and beyond. The following table shows the generation and use of cash for the years indicated:

	For the year ended December 31,		
	2024	2023	2022
	(in US\$ millions)		
Cash flows (used in) / generated from operating activities	2,399.0	1,266.2	755.6
Cash flow (used in) / generated from investing activities	(330.6)	(177.0)	(127.2)
Cash flow (used in) / generated from financing activities	727.7	425.2	654.0
Increase (decrease) in cash and cash equivalents	2,796.2	1,514.4	1,282.4
Cash and cash equivalents – end of the year	9,185.7	5,923.4	4,172.3

Our cash and cash equivalents include reverse repurchase agreements, short-term investments, bank account balances, securities, voluntary deposits at central banks and other cash and cash equivalents. The reverse repurchase agreements substantially have one-day maturities and have an immaterial risk of change in value. Short-term investments and securities are highly liquid investments with original maturities of three months or less and with an immaterial risk of change in value. Voluntary deposits at central banks are deposits made by the subsidiary Nu Financeira at the Central Bank of Brazil and are considered as cash and cash equivalents as they mature in one business day. For more information, see note 11 to our audited consolidated financial statements included elsewhere in this annual report.

Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

Operating activities. Our net cash flows generated from operating activities for the year ended December 31, 2024 were US\$2,399.0 million, an increase of US\$1,132.8 million from a cash flow generated from operating activities of US\$1,266.2 million in the year ended December 31, 2023. Our net income for the year ended December 31, 2024, was US\$1,972.1 million, an increase of US\$941.5 million from US\$1,030.6 million net income for the year ended December 31, 2023. The total balance after the adjustments to reconcile net income for the year to cash used in operating activities for the year ended December 31, 2024 was US\$5,320.1 million, compared to US\$3,277.6 million for the year ended December 31, 2023, mainly as a result of (i) an increase in credit loss allowance expenses to US\$3,469.0 million in the year ended December 31, 2024 compared to US\$2,487.6 million in the year ended December 31, 2023, and (ii) an increase in interest accrued to US\$179.2 million in the year ended December 31, 2024 compared to US\$103.6 million in the year ended December 31, 2023; also, the cash flow generated from operating activities was impacted by the changes in our operation assets and liabilities were principally affected by an increase in cash outflows for credit card receivables, loans to customers and compulsory and other deposits at central banks partly compensated by cash inflows from higher volume of deposits, payables to network and interest received.

Investing activities. Our net cash flows used in investing activities for the year ended December 31, 2024 were US\$330.6 million, an increase of US\$153.6 million, from US\$177.0 million for the year ended December 31, 2023, primarily due to (i) an increase in investments in associates during December 31, 2024 and in acquisition of securities - equity instruments; for more details see note 18 to our audited consolidated financial statements.

Financing activities. Our net cash flows generated from financing activities for the year ended December 31, 2024 were US\$727.7 million, an increase of US\$302.5 million from US\$ 425.2 million for the year ended December 31, 2023. The increase in the cash generated resulted primarily from the net effect of (i) an increase in proceeds from borrowings and financing to US\$1,309.9 million in the year ended December 31, 2024 compared to US\$469.5 million in the year ended December 31, 2023 , (ii) a decrease due to payments of borrowings and financing from Nu Mexico during the year ended December 31, 2024.

As a result of the foregoing, cash and cash equivalents as of December 31, 2024 were US\$9,185.7 million, an increase of US\$3,262.3 million, from US\$5,923.4 million as of December 31, 2023.

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

Operating activities. Our net cash flows generated from operating activities for the year ended December 31, 2023 were US\$1,266.2 million, an increase of US\$510.6 million from a cash flow generated from operating activities of US\$755.6 million in the year ended December 31, 2022. Our net income for the year ended December 31, 2023, was US\$1,030.6 million, an increase of US\$1,395.2 million from US\$364,6 million loss for the year ended December 31, 2022. The total balance after the adjustments to reconcile net income for the year to cash used in operating activities for the year ended December 31, 2023 were US\$3,277.6 million, compared to US\$1,361.2 million for the year ended December 31, 2022, mainly as a result of (i) an increase in credit loss allowance expenses to US\$2,487.6 million in the year ended December 31, 2023 compared to US\$1,440.9 million in the year ended December 31 2022, (ii) an increase in interest accrued to US\$103.6 million in the year ended December 31, 2023 compared to US\$ 32.5 million in the year ended December 31, 2022, and (iii) changes in our operating assets and liabilities were principally affected by an increase in cash outflows for credit card receivables, loans to customers and compulsory and other deposits at central banks partly compensated by cash inflows from higher volume of deposits, payables to network and interest received.

Investing activities. Our net cash flows used in investing activities for the year ended December 31, 2023 were US\$177.0 million, an increase of US\$49.8 million, from US\$127.2 million for the year ended December 31, 2022, primarily due to an increase in cash outflows for other intangible assets, related to the capitalized expenses from internally developed projects, as detailed in note 18b. of our audited financial statements.

Financing activities. Our net cash flows generated from financing activities for the year ended December 31, 2023 were US\$425.5 million, a decrease of US\$228.8 million from US\$654.0 million for the year ended December 31, 2022. The decrease in the cash generated resulted primarily from (i) the capital increase that occurred in January, 2022, related to the over-allotment option ("Green Shoe") exercised by the underwriters during the IPO, which had no equivalent event in 2023, and (ii) and a decrease in proceeds from borrowing and financing to US\$469.5 million in the year ended December 31, 2023 compared to US\$581.1 million in the year ended December 31, 2022.

As a result of the foregoing, cash and cash equivalents as of December 31, 2023 were US\$5,923.4 million, an increase of US\$1,751.1 million, from US\$4,172.3 million as of December 31, 2022.

Indebtedness

As of December 31, 2024, our indebtedness was composed of US\$1,730.4 million in borrowings and financing and US\$26.2 million in lease liabilities. The following is a description of our material indebtedness as of December 31, 2024:

Borrowings and financing

Borrowings and financing are composed of borrowings denominated in reais issued by our subsidiaries in Brazil, generally indexed to the Brazilian CDI rate; in Mexican Pesos by our Mexican subsidiary, Nu BN Servicios México, S.A. de C.V., or "Nu Servicios", generally indexed to the Mexican Interbanking Equilibrium Interest Rate, or the "Mexican TIIE"; and in Colombian Pesos by our Colombian subsidiary, Nu Colombia S.A., or "Nu Colombia" generally indexed by Colombian Reference Banking Indicator or the "IBR". The IFC B Loan disbursed in 2023 is USD-denominated, indexed to Libor and counts on interest-rate hedge.

On July 23, 2021, our Mexican subsidiary Nu Servicios entered into a term loan credit facility with J.P. Morgan México SA, Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, with interest accruing at a rate per annum equal to the Mexican TIIE + 1.00% and maturing on July 19, 2024. This term loan credit facility, guaranteed by us, was fully prepaid on April 19, 2024, releasing our guarantee in full.

On November 14, 2022, our Mexican subsidiary Nu Mexico Financieira entered into a term loan credit facility with J.P. Morgan México SA, Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, with interest accruing at a rate per annum equal to the Mexican TIIE + 1.45% and maturing on November 1, 2024. This term loan credit facility, guaranteed by us, by Nu Servicios and our subsidiary Nu Pagamentos, was fully prepaid on March 21, 2024, releasing our guarantee in full.

On April 11, 2022, we announced the closing of a US\$650.0 million committed credit line via a syndicated facility with Citigroup Global Markets Inc., Morgan Stanley Senior Funding, Inc. Goldman Sachs International Bank and HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC to support our internationalization strategy and the growth of local operations in Colombia and Mexico. The money was raised in local currency. Nu was the guarantor and our subsidiaries Nu Mexico and Nu Colombia S.A. were the borrowers of such operations. Proceeds raised have been invested in the Mexican and Colombian markets. On May 2, 2024, Nu Mexico and Nu Colombia entered into an amended and restated credit agreement with the lenders to extend the maturity date of a portion of the existing loans and commitments. On September 17, 2024, Nu Mexico fully prepaid the disbursed US\$ 505.0 million and the committed undisbursed amount of US\$ 218.1 million was cancelled. As of December 31, 2024, only the COP Loan equivalent to US\$ 23.6 million was outstanding under this credit facility. As a subsequent event, on February 17, 2025, Nu Colombia fully prepaid the US\$23.6 million.



On December 23, 2022, our Colombian subsidiary Nu Colombia entered into an A/B loan credit facility with International Finance Corporation – IFC, with interest accruing at a rate per annum equal to IBR + 2.80% for Tranche 1 of the A Loan (in COP equivalent to US\$20.0 million), IBR + 2.50% for Tranche 2 of the A Loan (in COP equivalent of US\$42.5 million) and SOFR + 4.10% for the USD-denominated B Loan (in the amount of US\$202.6 million). Total credit facility amount reached US\$265.1 million, maturing on January 23, 2026. This term loan credit facility was guaranteed by us. As of December 31, 2024, US\$265.1 million were outstanding under this credit facility. As a subsequent event, on February 3, 2025, Nu Colombia fully prepaid the US\$265.1 million.

On September 27, 2024, our Colombian subsidiary Nu Colombia entered into a credit facility with United States International Development Finance – DFC with a total commitment of US\$150 million and an interest rate of SOFR + 2.90%. The commitment period of the facility ends on March 27, 2026. This term loan credit facility is guaranteed by us. As of December 31, 2024, US\$150 million was outstanding under this credit facility, and US\$50 million has been disbursed on October 18, 2024, maturing on October 15, 2027. As a subsequent event, on January 31, 2025, Nu Colombia fully prepaid the US\$50 million; and the total outstanding on the facility was reduced to a committed undisbursed amount of US\$100 million.

Lease liabilities

Lease liabilities correspond to lease agreements for certain items in our operations, primarily in connection with leasing office space under agreements that are generally indexed to reais or Mexican Pesos, as applicable.

Capital Expenditures

In the years ended December 31, 2024, 2023 and 2022, we made capital expenditures (defined as cash payments to acquire property, plant and equipment or intangible assets) of US\$174.9 million, US\$177.0 million and US\$114.3 million, respectively.

These capital expenditures mainly included expenditures related to the upgrade and development of our IT systems, software and infrastructure, facilities, machinery and equipment, furniture and fittings and leasehold improvements.

We expect to increase our capital expenditures to support the growth in our business and operations in the countries in which we operate, including Brazil, Mexico and Colombia. We expect to meet our capital expenditure needs for the foreseeable future from our operating cash flow, our existing cash and cash equivalents, and with the net proceeds of our Initial Public Offering (IPO). Our future capital requirements will depend on several factors, including our growth rate, the expansion of our research and development efforts, employee headcount, marketing and sales activities, the introduction of new features to our existing products and the continued market acceptance of our products.



Tabular Disclosure of Contractual Obligations

The following is a summary of our contractual obligations as of December 31, 2024:

	Payments Due By Period as of December 31, 2024				
	Up to 1 month	1 to 3 months	3-12 months	Over 12 months	Total
	(In US\$ millions)				
Instruments eligible as capital	–	–	–	–	–
Deposit (1)					
Bank receipt of deposit (Recibo de Depósito Bancário - RDB)	20,847.6	447.3	870.5	242.5	22,407.9
Bank certificate of deposit (CDB)	41.1	127.8	320.1	109.7	598.8
Borrowings and financing	-	2.9	471.8	1,600.5	2,075.1
Total	20,888.7	578.0	1,662.4	1,952.6	25,081.8

(1) Gross nominal outflows for deposits were calculated considering the exchange rate of R\$6.174 to US\$1.00, the commercial purchase rate for U.S. dollars as of December 31, 2024 as reported by Bloomberg and the projected Brazilian CDI Rate as reported on the B3’s website, for the deposits.

C. Research and Development, Patents and Licenses, Etc.

See “Item 4. Information on the Company—D. Property, Plants and Equipment—Intellectual Property.”

D. Trend Information

For discussion of trend information, see “Item 4. Information on the Company—B. Business Overview—Overview—Our Attractive Opportunity—Powerful Secular Trends”; “Item 4. Information on the Company—B. Business Overview—Our Market—Industry Background—the Latin American Financial Services Industry is Ready to Be Reinvented” ” and “Item 4. Information on the Company—A. Operating Results.”

E. Critical Accounting Estimates

Not applicable.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

We are managed by our board of directors and by our senior management, pursuant to our Memorandum and Articles of Association and the Cayman Islands Companies Act (as revised).



Board of Directors

As of December 31, 2024, our board of directors was composed of eight members. Our Memorandum and Articles of Association provide that each director holds office until the next annual general meeting following the annual general meeting at which such director was elected. None of our board members have contracts that provide for benefits upon termination of employment.

Our Memorandum and Articles of Association provide that from and after the date on which David Vélez (together with his affiliates), our founding shareholder, no longer beneficially owns more than 50% of the aggregate voting power of all of our issued shares having the right to receive notice of and vote at our annual general meetings, or the classifying date, the directors shall be divided into three classes designated Class I, Class II, and Class III. Each director shall serve for a term ended on the date of the third annual general shareholders meeting following the annual general shareholders meeting at which such director was elected, provided that directors initially designated as Class I directors will serve for a term ended on the date of the first annual general shareholders meeting following the classifying date, directors initially designated as Class II directors shall serve for a term ended on the second annual general shareholders meeting following the classifying date, and directors initially designated as Class III directors shall serve for a term ended on the date of the third annual general shareholders meeting following the classifying date. The directors nominated by our founding shareholder shall be allocated to the longest duration classes unless otherwise determined by our founding shareholder. Our directors do not have a retirement age requirement under our Memorandum and Articles of Association. The following table presents the names of the current members of our board of directors.

Name	Age	Position(s)
David Vélez Osorno	43	Founder, Chairman and Chief Executive Officer
Anita Mary Sands	48	Lead Independent Director(1)*
David Alexandre Marcus	52	Director (2)*
Douglas Mauro Leone	67	Director(2)*
Jacqueline Dawn Reses	55	Director(2)*
Luis Alberto Moreno Mejía	71	Director(2)*
Rogério Paulo Calderón Peres	63	Director(1)*
Thuan Quang Pham	57	Director (1)*

(1) Member of the Audit and Risk Committee

(2) Member of the Compensation and People Committee

* Independent Director

The following is a brief summary of the business experience of our directors. Unless otherwise indicated, the current business address for our directors is c/- Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands.



David Vélez Osorno is our Founder, the Chairman of our Board of Directors and our Chief Executive Officer. Before founding Nu in 2013, David was a partner at Sequoia Capital between January 2011 and March 2013, in charge of the firm’s Latin American investments group. Before Sequoia, David worked in investment banking and growth equity at Goldman Sachs, Morgan Stanley and General Atlantic. He holds a Bachelors of Science in Management Science and Engineering and a Masters in Business Administration, both from Stanford University.

Anita Mary Sands is a member of our Board of Directors, a position she has held since October 2020. She has acted as our Lead Independent Director since October 2022, and is also a member of our Audit and Risk Committee since June 2021. Dr. Sands has served on the board of directors of ServiceNow, Inc. since July 2014, besides other private boards of directors, such as JumpCloud, Inc. (since December 2021) and Cyderes (since January 2022). Most recently, she also joined the board of directors of Rakt (January 2025) a privately held e-Commerce company based in the USA. She also served on the board of directors of Circle Internet Financial, Inc. (2022 until 2024), Pure Storage, Inc. (2015 until 2021), Khosla SPAC (2021), and SVF SPAC (2021 until 2023). From April 2012 to September 2013, Dr. Sands served as group managing director, head of change leadership and a member of the wealth management Americas executive committee of UBS Financial Services, a global financial services firm. Prior to that, from April 2010 to April 2012, Dr. Sands was group managing director and chief operating officer of UBS Wealth Management Americas at UBS Financial Services, and from October 2009 to April 2010, Dr. Sands was a transformation consultant at UBS Wealth Management Americas. Prior to joining UBS Financial Services, Dr. Sands was managing director, head of transformation management at Citigroup N.A.’s global operations and technology organization. Dr. Sands also held several leadership positions with RBC Financial Group and the Canadian Imperial Bank of Commerce (CIBC). Dr. Sands holds a Bachelor’s of Science in Physics and Applied Mathematics and a Doctoral Degree in Atomic and Molecular Physics, both from The Queen’s University of Belfast, Northern Ireland, and a Master’s of Science in Public Policy and Management from Carnegie Mellon University. She is also a former James Wei Visiting Professor in Entrepreneurship at Princeton University.

David Alexandre Marcus is a member of our Board of Directors, a position he has held since March, 2023. He is also a member of our Compensation and People Committee since March 2023. Mr. Marcus is CEO and co-founder of Lightspark. Lightspark is building core infrastructure on the Lightning Network. Most recently he led all payments and crypto efforts at Meta. In 2018, Mr. Marcus started Diem (fka Libra). He joined Meta, then called Facebook, in 2014 to lead Messenger, which he took from under 200M monthly users to over 1.5B. Previously, he was PayPal’s President. A lifelong entrepreneur, Mr. Marcus launched two companies in Europe, then founded mobile payments company Zong in Silicon Valley, which was acquired by PayPal in 2011.

Douglas Mauro Leone is a member of our Board of Directors, a position he has held since 2016. He has also been a member of our Compensation and People Committee since July 2021. Doug is a Partner at Sequoia Capital, which he joined in 1988 and became Partner in 1993. At Sequoia, from 2012 to 2022, he served as its Global Managing Partner, and from 1996 to 2012 he served as Co-Head of the Partnership. Doug also serves on the board of directors of Cresta, Cyera, Island.io, Sequoia Heritage, Soley Pharmaceutical, StrongDM, Trade Republic, Wiz, and Zafran. Before Sequoia, Doug began his career in tech at Sun Microsystems, Hewlett-Packard, and Prime Computer. He holds a Bachelor’s of Science in Mechanical Engineering from Cornell University, a Master’s of Science in Industrial Engineering from Columbia University, and a Master’s of Science in Management from the Massachusetts Institute of Technology.

Jacqueline Dawn Reses is a member of our Board of Directors, a position she has held since March 2021. She has also been the Chair of our Compensation and People Committee since July 2021, and acted as a member of our Audit and Risk Committee from June 2021 until December 2023. She is the current Chairwoman and Chief Executive Officer of Lead Bank (since October 2021) and most recently served as executive chair of Square Financial Services, LLC and capital lead at Block, Inc. (Square, Inc.), a publicly traded financial services company, from October 2015 to October 2020. From February 2016 to July 2018, she also served as people lead at Square, Inc. From September 2012 to October 2015, she served as chief development officer of Yahoo! Inc. Prior to Yahoo, she led the U.S. media group as a partner at Apax Partners Worldwide LLP, a global private equity firm, which she joined in 2001. She serves on the board of directors of Affirm and Endeavor, and she also was the chairperson of the Economic Advisory Council of the Federal Reserve Bank of San Francisco until October 2022. From 2019 to 2025, she served on the board of directors of Taskus. She holds a Bachelor’s of Science in Economics with honors from the Wharton School of the University of Pennsylvania.

Luis Alberto Moreno Mejía is a member of our board of directors, a position he has held since April 2021. He has also been a member of our Compensation and People Committee since July 2021. He joined us after his 15-year tenure as the President of the Inter-American Development Bank Group from October 2005 to September 2020, and has served as a Managing Director at Allen & Co. since February 2021. Mr. Moreno has served on the board of directors of Dow Inc. since April 2021 and in January 2025 he joined the Global Advisory Board of Coinbase Inc. He has also served as Colombia’s Ambassador to the United States for seven years from October 1998 to June 2005. He had a distinguished career in business and government. As Minister of Economic Development between July 1992 and January 1994, he was head of the Instituto de Fomento Industrial, Colombia’s public sector holding company. In the private sector he was the executive producer of TV Hoy. He holds a Degree in Business Administration and Economics from Florida Atlantic University and a Master’s in Business Administration from the Thunderbird School of Global Management. In 1990, Harvard University awarded him a Neiman Fellowship for his achievements in the field of journalism.

Rogério Paulo Calderón Peres is a member of our Board of Directors and also the chairman of our Audit and Risk Committee, positions he has held since June 2021 and July 2021, respectively. As a financial expert, he served in PricewaterhouseCoopers Brazil as audit partner for nearly ten years until 2003 and then served as senior executive and chief financial officer at Bunge Brasil S.A. from 2003 to 2007, Unibanco S.A. and Itaú Unibanco Holdings S.A. between 2007 and 2014, and HSBC Brasil S.A. (HSBC LatAm) between 2014 and 2016. He also serves as a Board member in Alupar Investimentos S.A. since December 2016, and Grupo Casas Bahia S.A. since September 2019, and in August 2024 joined the Brava Energia S.A.'s Board as member and as its Audit Committee chair, all of them listed companies in Brazil. He holds a Bachelor’s in Business Administration from Fundação Getulio Vargas and a Bachelor’s in Accounting from Fundação FAPEI, both in Brazil. He also holds a Brazilian registered accountant certification (Brazilian CPA) and has also attended several extension programs in strategy, finance, human resources and governance at Harvard University, Princeton University, University of Western Ontario, Fundação Getulio Vargas and Fundação Dom Cabral.

Thuan Quang Pham is our Board Member and also Member of our Audit and Risk Committee since September 2022. He also acts as a Technology Advisor of The Routing Company since June 2020, and most recently assumed the position of CTO of Faire (since May 2024). Mr. Pham served as Chief Technology Officer of Coupang from September 2020 until September 2022, and of Uber Technologies, Inc. from April 2013 to May 2020. From December 2004 to January 2013, Mr. Pham served in various Vice President roles at VMWare, Inc., a software and technology company, including as Vice President of R&D – Cloud Management Platform from June 2012 to January 2013. Mr. Pham holds both B.S. and M.S. degrees in Computer Science and Electrical Engineering from the Massachusetts Institute of Technology.



Executive Officers

Our executive officers are responsible for the management and representation of our company.

The following table lists our current executive officers:

Name	Age	Position(s)
David Vélez Osorno	43	Chief Executive Officer
Youssef Lahrech	51	President and Chief Operating Officer
Cristina Helena Zingaretti Junqueira	42	Chief Growth Officer
Guilherme Marques do Lago	46	Chief Financial Officer
Henrique Camossa Saldanha Fragelli	48	Chief Risk Officer
Livia Martines Chanes	42	Brazil Chief Executive Officer
Suzana Kubric	45	Chief People Officer
Vitor Guarino Olivier	35	Chief Technology Officer

The following is a brief summary of the business experience of our executive officers. Unless otherwise indicated, the current business address for our executive officers is Rua Capote Valente, 39 – Pinheiros, São Paulo, Brazil.

David Vélez Osorno. See “—Board of Directors.”

Youssef Lahrech has been our President since August 2022, and Chief Operating Officer since 2020. He reports directly to the CEO, and is responsible for the company's operations, including the performance of products, platforms, marketing and country operations, as well as corporate functions. Before joining us in 2020, he spent 19 years at Capital One helping build and grow businesses in Canada and the United States, serving in a number of roles involving product, analytics, risk, and technology. He holds a degree in Mathematics from the Ecole Polytechnique and a degree in Engineering from the École des Ponts ParisTech, both in France, as well as a Master’s in Engineering from the Massachusetts Institute of Technology.

Cristina Helena Zingaretti Junqueira is our Co-Founder and Chief Growth Officer of the Group since August 2022. Before founding Nu in 2013, she worked for several years at Itaú Unibanco S.A. with consumer credit, card products and marketing. She was recently featured in the Financial Time’s 25 Most Influential Women for the year of 2024. Cristina holds an Engineering Bachelors degree and a Masters degree from Universidade de São Paulo (USP), and also an MBA from Northwestern University’s Kellogg School of Management.

Guilherme Marques do Lago is our Chief Financial Officer, a position he has held since February 2021, and served as our vice president of finance from March 2019 to February 2021. From April 2006 to March 2019, he served in various positions at the Credit Suisse Group AG, including as managing director in its investment banking group. He also previously worked at McKinsey & Company from 2005 to 2006. He holds a Bachelor’s of Science in Industrial Engineering from Escola Politécnica da Universidade de São Paulo and a Master’s in Business Administration from the Harvard Business School.



Henrique Camossa Saldanha Fragelli is our Chief Risk Officer, a position he has held since 2018. He is responsible for our financial and non-financial risks. He is in charge of all our risk related activities, including credit risk, market and liquidity risk, stress testing, model risk, operational and IT risk, conduct risk, and anti-money laundering teams. Before joining us in 2018, he was the global head of traded portfolio analytics at HSBC Bank PLC, based in London, from August 2015 to June 2018 and the head of traded risk analytics for Latin America at HSBC Brasil S.A. from July 2013 to August 2015. He also worked at WestLB as a risk director, based in London, from April 2012 to July 2013 and for LCH.Clearnet from October 2007 to April 2012. He holds a Bachelor of Arts in Economics from Universidade de São Paulo and a Master of Business Administration in Finance from the École des Hautes Études Commerciales de Paris (HEC Paris).

Livia Martines Chanes is the Chief Executive Officer for Brazil, a position she has held since January 22, 2024, responsible for the company’s Brazilian Operations. She started at Nubank in 2020 as Vice President of products. Before that, she worked at Banco Itaú in multiple technology driven businesses from 2015 until 2020, and at McKinsey consulting from 2005 until 2015, as a partner in the São Paulo office. She holds a Bachelor's degree in Engineering from the Escola Politécnica of the University of São Paulo and a Master’s degree from École Nationale des Ponts et Chaussées, Paris. She also holds an MBA from INSEAD.

Suzana Kubric is our Chief People Officer, a position she has held since May 2023. From December 2022 until May 2023 she held the position of Vice President of People and Culture. From March 2021 until November 2022 she held the position of Vice President of HR Business Partners. Before joining Nu, she served several leadership positions in Human Resources in companies of different segments, such as Human Resources Director Latin America and D&I Champion at Kantar IBOPE Media (Ibope pesquisa de midia Ltda.) from February 2017 until March 2021, HR Integration Lead & Talent Management Head – Europe and Americas for Consumer Business – at GSK Consumer Health (Glaxosmithkline Brasil Ltda.) from November 2015 until January 2017, HR Head at OTC Latam and OTC Mercosul, HR Business Partner at Pharma, Finance and Marketing Support and Talent Management Head at Novartis Biociencias S.A from January 2007 until October 2015, Human Resources Manager at Associação Civil Greenpeace from May 2005 until May 2006, Regional Human Resources Coordinator at CoE Learning & Development, and Human Resources Analyst and Intern at Food Division at Unilever Brasil Industrial Ltda. from November 1999 until April 2015. Mrs. Kubric holds a Bachelor’s degree in Administration from Fundação Armando Álvares Penteado – FAAP and a Master’s in Business Administration from Florida International University.

Vitor Guarino Olivier is our Chief Technology Officer since December 2022. Before, he was our Chief People Officer from February 2022 until December 2022. From December 2019 to January 2022, he served as our vice president of operations and platforms. From March 2019 to March 2020, he served as our vice president of consumers. From August 2016 to March 2019, he served as the general manager of our digital account products. From April 2014 to August 2016, he led our core financial services engineering team. Prior to joining us, he held positions in wealth management, credit, and foreign exchange at Banco BTG Pactual S.A. from August 2011 to March 2014. He holds a degree in Computer Science and Economics from Duke University.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Shareholder’s Agreement

On November 29, 2021 we entered into a shareholder’s agreement, or the “Shareholder’s Agreement,” with our founding shareholder, last amended on March 11, 2025.

Among other things, the Shareholder’s Agreement provides our founding shareholder with the right to nominate a certain number of directors based on the aggregate voting power of the issued share capital held by our founding shareholder and his affiliates, so long as our founding shareholder and his affiliates beneficially own shares accounting for at least 5% of the voting power of our issued share capital. The Shareholder’s Agreement provides that, subject to compliance with applicable law and NYSE rules, for so long as our founding shareholder and his affiliates beneficially own shares accounting for at least 40% of the voting power of our issued share capital, our founding shareholder shall be entitled to designate up to five nominees to our board of directors (or if the size of our board of directors is increased, a majority of the members of our board of directors); for so long as our founding shareholder and his affiliates beneficially own at least 25% of the voting power of our issued share capital, our founding shareholder shall be entitled to designate up to three nominees to our board of directors (or if the size of our board of directors is increased, one-third of the members of our board of directors); and for so long as our founding shareholder and his affiliates beneficially own at least 5% of the voting power of our issued share capital, our founding shareholder shall be entitled to designate one nominee to our board of directors (or if the size of our board of directors is increased, 10% of the members of our board of directors).

In addition, the Shareholder’s Agreement provides that for so long as our founding shareholder and his affiliates beneficially own at least 5% of the voting power of our issued share capital, our founding shareholder will have the right to designate its pro rata share of the total number of members of the Audit and Risk Committee and the Compensation and People Committee of our board of directors that is equal to the proportion that the number of directors designated by our founding shareholder bears to the total number of directors on our board, except to the extent that such membership would violate applicable law or NYSE rules. The rights granted to our founding shareholder to designate directors pursuant to the Shareholder’s Agreement are additive to and not intended to limit in any way the rights that our founding shareholder or any of his affiliates may have to nominate, elect or remove our directors under our Memorandum and Articles of Association or laws of the Cayman Islands.

The Shareholder’s Agreement also provides that for so long as our founding shareholder and his affiliates beneficially own shares accounting for at least 10% of the voting power of our issued share capital, we will agree not to take, or permit our subsidiaries to take, certain actions without the prior written approval of David Vélez Osorno, including incurring indebtedness in excess of our net equity value on a consolidated basis, entering into transactions with our officers, directors or other affiliates (excluding our founding shareholder), making material changes to the strategic direction or scope of our business, adopting a shareholders’ rights plan, paying or declaring any dividend or distribution on our shares, entering into a merger, consolidation, reorganization or other business combination or a transaction or series of transactions that would result in a change of control, any liquidation, dissolution, receivership, commencement of bankruptcy, insolvency or similar proceeding, authorizing or issuing any share capital or any security convertible, exchangeable or exercisable for any share capital (subject to specified exceptions), acquiring or disposing of assets the aggregate consideration or fair value or which exceeds 20% of our net equity value on the date of the transaction, or determining the annual compensation of any of our officers and directors (excluding our founding shareholder).

The Shareholder’s Agreement also provides our founding shareholder with access to our books and records and financial and operating data with respect to our business, and affords our founding shareholder certain consultation rights with our senior management with respect to our business and financial results, so long as our founding shareholder and his affiliates beneficially own shares accounting for at least 5% of the voting power of our issued share capital.

B. Compensation

Compensation of Directors and Officers

Under Cayman Islands law, we are not required to disclose compensation paid to our senior management on an individual basis and we have not otherwise publicly disclosed this information elsewhere.

Our executive officers, directors and management receive fixed and variable compensation. They also receive benefits in line with market practice in Brazil and the countries in which we operate. Compensation is set on market terms and reviewed annually.

The variable component consists primarily of awards of shares, which are awarded under our RSU long-term incentive program, as discussed below. For a description of our aggregate compensation expenses and the equity incentive plans available to senior management, see “—Item 6. Directors, Senior Management and Employees—B. Compensation—Executive Compensation.”

Employment Agreements

We have entered into, either directly or through our subsidiaries, services agreements with each of the executive officers listed in “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Executive Officers” above.

Directors’ and Officers’ Insurance

We understand that directors and officers liability insurance is a crucial component of attracting and retaining our directors and officers. We currently hold a directors and officers liability policy to cover defense costs and losses arising from a claim or preliminary investigation that is not indemnified by the company on behalf of the directors or officers, at a minimal limit. For more information, see “Item 7. Major shareholders and related-party transactions—B. Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors”.

Executive Compensation

Directors and Key Management Compensation

Other than the tax-qualified defined contribution 401(k) plan in which certain executive officers located in the United States participate, we currently do not set aside any amounts related to pension, retirement or other similar benefits.

The aggregate compensation, including that paid by our controlled companies, of our directors and other key management personnel for the year ended December 31, 2024 was US\$96.0 million.

Management compensation includes the compensation of members of our Board of Directors and of Executive Officers who receive compensation. Some of our executive officers and members of our board of directors hold executive positions in companies controlled by us, and may receive a portion of their reported compensation directly from such controlled companies, in accordance with the activities they perform.

Compensation Objectives

Our executive compensation program is designed to achieve the following objectives:

- Attract and retain the most talented and dedicated executive officers whose knowledge, and skill set are critical to the successful execution of our business strategy;
- Ensure our executive officers are compensated in a manner consistent with competitive practices of other leading growth companies of a similar size and stage of development;
- Reward our executive officers for their performance and motivate them to achieve our long-term strategic goals in a manner that is aligned with the interests of our shareholders; and
- Reinforce our leadership principles and cultural values, which promote empowering and having our customers come first, pursuing the highest performance, taking responsibility for our commitments and growing efficiently.

Peer Group

To execute on our compensation objectives, each year we have our independent compensation consultants review our Peer Group. This group is used for benchmarking to assess market competitive compensation levels, as well as dilution levels when setting our annual equity budget.

The general criteria for the group are:

- **Industry:** primary focus on fin-tech/software/internet services with secondary focus on consumer/diversified finance.
- **Size:** similar size to Nubank in terms of market capitalization and revenue.
- **Disclosure:** must disclose an annual proxy circular due to the filing’s detailed compensation program disclosure requirements.
- **Refinement factors:** preference for relatively recent IPO companies, strong revenue growth, and companies that we have in the past competed with for same-level talent.

Compensation Composition

The total compensation package for our executive officers consists of a mix of fixed compensation, profit sharing, and share-based compensation. We believe such a structure is well-placed for maximizing shareholder value while, at the same time, attracting, motivating and retaining high-quality executive officers.

- **Fixed Compensation.** Our executive officers receive a fixed base salary, which is paid based on the services provided, and intended to compensate each officer according to the scope of his or her duties.
- **Profit Sharing.** In compliance with our Brazil employee union agreements, our executive officers in Brazil are eligible for the Profit Sharing Program. This is a short-term variable remuneration component, linked to the achievement of pre-established business goals through union negotiation. Our Brazil executive officers are subject to the same payout formulae and maximum payouts as the rest of our Brazilian employee population.

- **Share-Based Compensation.** We maintain a long-term incentive plan, which provides annual awards of RSUs. We believe that it is important for the majority of our executive officers' compensation to be delivered in the form of share-based compensation, creating greater alignment of the interests of key employees with those of shareholders and allowing us and our subsidiaries to attract and retain key employees.

Salaries and benefits provided are established in accordance with our compensation strategy. This fixed portion of compensation seeks to recognize the value of each of the executive officer positions and contribute to the retention of our management team, which provides greater stability and quality in our activities.

In addition, we believe that our share-based compensation drives further retention of key executives and ensures alignment between their interests and those of our shareholders. Share-based compensation is also defined based on market data on our Peer Group and on the compensation strategy adopted. For more information on the ownership of our shares by our directors and officers, see "Item 7. Major Shareholders and Related-Party Transactions—A. Major Shareholders."

In the payment of share-based compensation to our executives, we consider the following: (i) individual performance; (ii) the performance of the business unit; (iii) our performance as a whole; and (iv) the importance of certain performance to our long-term goals and objectives. Our management team members are evaluated based on the achievement of our goals, consisting of specific objectives and indicators, in accordance with our current strategy.

There is currently no compensation or benefits linked to the occurrence of a particular corporate transaction.

Board of Directors

Since 2020, we have engaged and paid independent board members who receive compensation made up of a mix of cash and share-based compensation. We did not proportionate compensation for our directors in any specific ratio between cash and equity, but note that all paid board members received compensation that was primarily weighted towards equity compensation as a means of creating greater alignment to our long-term goals and the interests of our shareholders.

In connection with our initial public offering, we adopted a director compensation policy, which governs compensation paid to our existing non-employee directors as follows:

- A fixed board membership annual equity retainer; and
- Each independent board member that serves as either the chairperson or a member of one of our board committees is expected to receive an additional amount in connection with such committee participation or chair position.



Employee Share Plans

Nu Holdings Ltd. 2020 Omnibus Incentive Plan

Our board of directors, at a meeting held on January 30, 2020, approved the Nu Holdings Ltd. Omnibus Incentive Plan, as most recently amended on August 30, 2021, which establishes the general rules and conditions for granting options and RSUs.

Purpose. The Omnibus Incentive Plan aims to increase our capacity to attract and retain employees, consultants and management, and to motivate such individuals to serve us and to expend maximum effort to improve our commercial results and earnings by providing these individuals with an opportunity to acquire and increase their equity interest in us.

Eligibility. Any of our or any of our affiliates’ employees, officers, non-employee directors or consultants is eligible to receive awards under the Omnibus Incentive Plan.

Administration. Without limitation, our board of directors will have full and final authority, subject to the other terms and conditions of the Omnibus Incentive Plan, to (1) designate participants, (2) determine the type or types of awards to be made to a participant, (3) determine the number of shares to be subject to an award, (4) establish the terms and conditions of each award (including the option price, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer or forfeiture of an award, (5) prescribe the form of each award agreement and (6) amend, modify or supplement the terms and conditions of any outstanding award, including the authority to effectuate the purposes of the Omnibus Incentive Plan, to modify awards to foreign nationals or individuals who are employed outside of Brazil or the United States or to recognize differences in local law, tax policy or custom. Our board of directors delegated to our chief executive officer all of their authority under the Omnibus Incentive Plan, including, without limitation, their authority to make awards under such a plan.

Authorized Shares. The total number of shares authorized for issuance under our equity incentive plans (including the Omnibus Incentive Plan and the SOP, as defined below) is 933,760,320. As of December 31, 2024, 95,853,372 were available for issuance, and there were 35,937,918 options and 59,915,454 RSUs granted and outstanding, vested and unvested, under the Omnibus Incentive Plan and the SOP.

It is intended that the maximum number of Class A ordinary shares available for issuance pursuant to equity incentive awards granted under the Omnibus Incentive Plan and the SOP, together, will not exceed 5% of our outstanding ordinary shares, on a fully diluted basis at any given time. Our board of directors may adjust the number of Class A ordinary shares available for issuance under the Omnibus Incentive Plan and the SOP from time to time at its discretion.

Awards. The Omnibus Incentive Plan provides for the grant of options and RSUs.

Options:

- *Price.* The exercise price of each option is set by the board of directors (or our chief executive officer as applicable) and stated in each award agreement. The exercise price of each option for U.S. taxpayers (except with respect to substitute awards) will be at least the fair market value of the shares on the grant date. For non-U.S. taxpayers the exercise price will be determined by our board in its sole discretion. In no event will the exercise price of an option be less than the par value of a share.
- *Term.* The options expire after a maximum period of ten (10) years from the grant date, or on the date established in the respective award agreement.

- *Vesting.* Each option will become exercisable as the board of directors (or our chief executive officer as applicable) determines and as set forth in the applicable award agreement.
- *Exercise Method.* The options are exercised by their holders through delivery of an exercise notice to us establishing the number of options with respect to which the option is being exercised, accompanied by full payment of the option price.
- *Rights of Holders of the Options.* Except as otherwise stated in an award agreement, option holders will not have any shareholder rights (e.g., the right to receive cash payments, dividends or distributions attributable to the shares underlying the option or voting rights to shares underlying the option) until the options have been exercised and the respective shares delivered.

RSUs:

- *Restrictions.* At the time of grant, our board of directors (or our chief executive officer as applicable) may establish a period of restriction or any other additional restrictions, including the satisfaction of performance goals applicable to RSUs. RSUs cannot and may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restricted period or before the satisfaction of any other applicable restrictions.
- *Settlement of RSUs.* The RSUs may be settled in cash or shares, as determined and specified in the award agreement.
- *Voting Rights and Dividends.* Unless otherwise specified in the award agreement, the holders of RSUs do not have rights as shareholders, including any voting rights or rights to dividends or dividend equivalents, until the RSUs have been settled and the respective shares delivered.
- *Creditor's Rights.* Holders of RSUs will have no other rights beyond those of a general creditor of ours or our affiliates.
- *Delivery of Shares.* Shares will be delivered to holders of RSUs after the end of the restricted period and after any other terms and conditions set forth in the award agreement have been satisfied.

Termination of Service. In the event of a termination of service, any RSUs that are not vested are automatically canceled, without payment of consideration and any unvested options will be automatically forfeited.

Change in Control. In the event of a change in control, the awards shall be treated in accordance with the transaction agreement and, if not specified, the board of directors has the discretion to continue, assume, substitute, cancel, suspend exercise (in order to allow the transaction to close) or accelerate, in whole or in part, the awards.

Term. The Omnibus Incentive Plan shall be in full force and effect for a period of ten (10) years and shall automatically terminate thereafter.



Adjustments. If (1) the number of outstanding shares is increased or decreased or the shares are changed into or exchanged for a different number or kind of our shares or other securities on account of any recapitalization, reclassification, share split, reverse split, combination of shares, exchange of shares, share dividend or other distribution payable in Class A ordinary shares or other increase or decrease in such shares effected without receipt of consideration by us or (2) there occurs any spin-off, split-up, extraordinary cash dividend or other distribution of assets by us, (i) the number and kinds of shares for which grants of awards may be made, (ii) the number and kinds of shares for which outstanding awards may be exercised or settled and (iii) the performance goals relating to outstanding awards will be equitably adjusted by us; provided that any such adjustment will comply with Section 409A of the Internal Revenue Code. In addition, in the event of any such increase or decrease in the number of outstanding shares or other transaction described in clause (2) above, the number and kind of shares for which awards are outstanding and the option price per share of outstanding options will be equitably adjusted.

Company Rights. Shares acquired through the exercise of options are subject to a right of first refusal for our benefit, repurchase rights for our benefit, a tag-along right and a drag-along right. However, these rights will cease immediately before the initial public offering of the Company.

Amendment; Termination. The board of directors may, at any time and from time to time, amend, suspend or terminate the Omnibus Incentive Plan as to any awards that have not been made. An amendment to the Omnibus Incentive Plan will be contingent on shareholder approval to the extent stated by the board of directors, required by applicable law or required by applicable securities exchange listing requirements. No amendment, suspension or termination of the Omnibus Incentive Plan may materially impair the rights or obligations of a participant without the participant’s consent. The repricing of awards is expressly prohibited without shareholder approval.

Nu Holdings Ltd. Share Option Plan, or “SOP”

Our SOP was originally adopted by our board of directors and shareholders in October 2016 and was most recently amended on August 30, 2021.

Purpose. The purpose of the SOP is to encourage our key executives, professionals and other persons or legal entities performing bona fide services for us or any of our direct or indirect subsidiaries to invest in us, to promote their commitment to our results and the expansion of its business in the long term, by providing such individuals with the opportunity to acquire our shares.

Administration. The SOP is administered by our board of directors, provided that our chief executive officer has authority to manage grants constituting one percent (1%) or less of our then outstanding share capital. Our board of directors (or our chief executive officer, as applicable) will have full authority to take all necessary and adequate measures for the administration of the SOP.

Authorized Shares. There are 933,760,320 shares authorized for issuance under our equity incentive plans (including the Omnibus Incentive Plan and the SOP). While there are awards outstanding under the SOP, we do not intend to make future awards under the SOP. Any outstanding awards under the SOP that expire or are canceled shall again be available for issuance under the Omnibus Incentive Plan.

Eligibility. Our key executives, professionals and other persons or legal entities performing bona fide services for us or any of our direct or indirect subsidiaries are eligible to receive awards under the SOP.

Awards. The SOP provides for the grant of options.

Options. Options allow the participant to subscribe for a certain number of our shares. Unless otherwise set forth in an award agreement, the options will have a vesting period of five (5) years with (i) 20% of the award vesting after the first anniversary of the grant date and (ii) the remaining 80% vesting in equal monthly installments over forty-eight (48) months. Options may be exercised within ten (10) years after grant. The price per share shall be the price determined by the board of directors.

Lock-Up. In connection with any underwritten public offering of our shares, a participant may not directly or indirectly, sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any awards for a maximum of 180 days following the offering without consent of the underwriter. This restriction shall terminate two years after our initial public offering.

Change in Control. In the event of a change in control, the awards shall be treated in accordance with the transaction agreement and, if not specified, the board of directors has the discretion to continue, assume, substitute, cancel, suspend exercise (in order to allow the transaction to close) or accelerate, in whole or in part, the awards.

Termination of Employment. If the participant is terminated, such participant has 180 days to exercise his or her options. If the participant is terminated due to death or disability, he or she has six (6) months and twelve (12) months to exercise the participant’s options, respectively.

Amendment. Any amendment to the SOP is subject to the approval of our board of directors, who may amend the SOP Plan at any time and for any reason.

Term. The SOP shall be in force and effect for a period of twenty (20) years.

Company Rights. The options were subject to a right of first refusal for our benefit, a tag-along right and a drag-along right. However, these rights ceased immediately before our initial public offering.

C. *Board Practices*

Committees of the Board of Directors

Our board of directors has established an Audit and Risk Committee and a Compensation and People Committee. Its composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit and Risk Committee

Our Audit and Risk Committee consists of Rogério Paulo Calderón Peres, Anita Mary Sands and Thuan Quang Pham, with Rogério Paulo Calderón Peres serving as chairperson. Our board of directors has determined that Rogério Paulo Calderón Peres, Anita Mary Sands and Thuan Quang Pham meet the requirements for independence under the listing standards of the NYSE and SEC rules and regulations. Each member of our Audit and Risk committee also meets the financial literacy and sophistication requirements of the listing standards of the NYSE. In addition, our board of directors has determined that Rogério Paulo Calderón Peres is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. The duties and responsibilities of our Audit and Risk Committee include:

- appointing and overseeing the work and compensation of any accounting firm engaged for the purposes of preparing or issuing an audit report or performing audit, review or attest services for us, including our independent registered public accounting firm;
- pre-approving the audit services and non-audit services to be provided by our independent registered public accounting firm;
- discussing the scope and results of the audit with our independent registered public accounting firm, and reviewing, with management and our independent registered public accounting firm, our interim and year-end results of operations;
- resolving any disagreements between management and our independent registered public accounting firm;
- evaluating the independence and performance of our independent registered public accounting firm;
- overseeing our internal audit function;
- reviewing and discussing with management and our independent registered public accounting firm our financial statements and public disclosures of our financial information;
- reviewing our disclosure controls and procedures and internal control over financial reporting;

- establishing procedures for complaints regarding accounting, internal controls or audit matters;
- reviewing and monitoring our risk management policies and procedures;
- advising our board of directors regarding the systematic review of our risk exposure to economic sectors, geographic areas and risk types;
- overseeing our cybersecurity risk management, and discussing with management our cybersecurity program; and
- reviewing related-party transactions.

Our Audit and Risk Committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NYSE.

Compensation and People Committee

Our Compensation and People Committee consists of Jacqueline Dawn Reses, Douglas Mauro Leone, Luis Alberto Moreno Mejía and David Alexandre Marcus, with Jacqueline Dawn Reses serving as chairperson. The duties and responsibilities of our Compensation and People Committee include:

- approving or making recommendations to our board of directors regarding the compensation of our executive officers and key service providers;
- reviewing and approving the compensation of the members of our board of directors;
- reviewing our management succession planning;
- reviewing and evaluating our executive compensation and benefits policies;
- reviewing and approving grants of equity compensation awards to our executive officers;
- reviewing and discussing with our executive officers and other members of management, outside counsel and compensation consultants our public disclosures regarding our compensation policies, programs and practices for executive officers;
- reviewing our programs and practices related to human capital management metrics;
- reviewing our leadership development process for senior management; and
- reviewing and assessing our workforce inclusion and diversity and the administration of compensation programs in a nondiscriminatory manner.



Our Compensation and People Committee operates under a written charter which satisfies the applicable rules and regulations of the SEC and the listing standards of the NYSE, subject to certain exemptions under the rules thereof for foreign private issuers and controlled companies.

Controlled Company Exception

As of the date of this annual report, David Vélez Osorno beneficially owns 88.6% of our Class B ordinary shares, representing 75.2% of the voting power of our outstanding share capital. As a result, we are a “controlled company” within the meaning of the corporate governance standards of the NYSE corporate governance rules. Under these rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements.

As a “controlled company,” we may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our board of directors consist of independent directors; and (2) that our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. For so long as we qualify as a controlled company, we may take advantage of these exemptions. Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a “controlled company” and our ordinary shares continue to be listed on the NYSE, we will be required to comply with the corporate governance standards within the applicable transition periods.

D. Employees

As of December 31, 2024, 2023 and 2022, we had 8,716, 7,686 and 8,049 employees, respectively. As of December 31, 2024 all of our employees were based in our offices in Brazil, Mexico, Colombia, Uruguay and the United States.

The table below breaks down our full-time personnel by function as of December 31, 2024:

Function	Number of employees	% of Total
Technology	2,630	30.2%
Sales and Marketing	1,143	13.1%
Customer Support	2,857	32.8%
General and Administrative	2,086	23.9%
Total	8,716	100%

Our employees in Brazil are affiliated with the unions of independent sales agents and of consulting, information, research and accounting firms for the geographic area in which they render services. We believe we have a constructive relationship with these unions, as we have never experienced strikes, work stoppages or disputes leading to any form of downtime.

E. Share Ownership

The shares and any outstanding shares beneficially owned by our directors and officers and/or entities affiliated with these individuals are disclosed in “Item 7. Major Shareholders and Related-Party Transactions—A. Major Shareholders.”

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

We have adopted a compensation clawback policy on October 2, 2023. Please see Exhibit 97.1 to this annual report on Form 20-F. We have not been required to prepare an accounting restatement at any time during or after our last completed fiscal year and no recovery of awarded compensation is required pursuant to our compensation clawback policy.

Item 7. Major shareholders and related-party transactions

A. Major Shareholders

The following table and accompanying footnotes present information relating to the beneficial ownership of our Class A ordinary shares and Class B ordinary shares as of December 31, 2024 by:

- each person, or affiliated persons, known by us to own beneficially 5% or more of each class of our outstanding voting shares; and
- each of our directors and executive officers, individually.

The number of ordinary shares beneficially owned by each entity, person, executive officer or director is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire on or before March 1, 2025, which is 60 days after December 31, 2024, through the exercise of any option, warrant or other right. These shares are deemed to be outstanding and beneficially owned by the person holding those options, warrants or rights for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. In addition, we have included shares subject to RSUs for which the service-based vesting condition has been satisfied or would be satisfied within 60 days of December 31, 2024 in the calculation of shares to be beneficially owned by the person holding the RSUs for the purpose of computing the percentage ownership of that person. Except as otherwise indicated, and subject to applicable community property laws, we believe that each shareholder identified in the table below possesses sole voting and investment power over all the Class A ordinary shares or Class B ordinary shares shown as beneficially owned by the shareholder in the table.

The percentages of beneficial ownership in the table below are calculated on the basis of the following numbers of shares outstanding: 3,768,057,942 Class A ordinary shares and 1,050,600,698 Class B ordinary shares.

	Shares Beneficially Owned				% of Total Voting Power(1)
	Class A		Class B		
	Shares	%	Shares	%	
Executive Officers and Directors					
David Vélez Osorno(2)	6,379,354	0.2%	931,124,498	88.6%	75.2%
Douglas Mauro Leone(3)	(*)	(*)	—	—	(*)
Anita Sands	(*)	(*)	—	—	(*)
Luis Alberto Moreno Mejía	(*)	(*)	—	—	(*)
Jacqueline Dawn Reses	(*)	(*)	—	—	(*)
Rogério Paulo Calderón Peres	(*)	(*)	—	—	(*)
Cristina Helena Zingaretti Junqueira(4)	9,898,161	0.3%	119,476,200	11.4%	9.7%
Guilherme Marques do Lago	(*)	(*)	—	—	(*)
Livia Martines Chanes	(*)	(*)	—	—	(*)
Youssef Lahrech	(*)	(*)	—	—	(*)
Henrique Camossa Saldanha Fragelli	(*)	(*)	—	—	(*)
Thuan Quang Pham	(*)	(*)	—	—	(*)
Suzana Kubric	(*)	(*)	—	—	(*)
Vitor Guarino Olivier	(*)	(*)	—	—	(*)
5% Shareholders					
Rua California Ltd.(5)	5,198,366	0.1%	929,624,498	88.5%	75.1%
BlackRock, Inc. (6)	266,236,594	7.1%	—	—	1.1%
SC US (TTGP), LTD. (7)	252,320,306	6.7%	—	—	1.0%
Capital Research Global Investors (8)	247,998,790	6.6%	—	—	1.0%
Baillie Gifford & Co (9)	210,103,451	5.6%	—	—	0.8%

* Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our ordinary shares.

(1) Percentage of total voting power represents voting power with respect to all of our Class A ordinary shares and Class B ordinary shares, as a single class. Holders of our Class B ordinary shares are entitled to 20 votes per share, whereas holders of our Class A ordinary shares are entitled to one vote per share. For more information about the voting rights of our Class A ordinary shares and Class B ordinary shares, see “Item 10. Additional Information—B. Memorandum and Articles of Association”

- (2) Consists of (i) 5,198,366 Class A shares and 929,624,498 Class B shares held of record by Rua California Ltd., a company controlled by David Vélez Osorno, who holds 100% of its shares, (ii) 1,180,988 Class A shares held of record by David Vélez Osorno, and 1,500,000 Class B shares held of record by Mariel Lorena Reyes Milk, the wife of Mr. Vélez. David Vélez Osorno may be deemed to have voting and dispositive power over the shares held by Rua California Ltd. and Mariel Lorena Reyes Milk.
- (3) Excludes the shares listed in footnote 5 below held of record by entities affiliated with SC US (TTGP), LTD. or Sequoia Capital. Mr. Leone disclaims beneficial ownership of the shares held by the funds in footnote 8 below. The address for Mr. Leone is 2800 Sand Hill Road, Suite 101, Menlo Park, California 94025.
- (4) Consists of (i) 9,898,161 Class A ordinary shares, (ii) 119,476,200 Class B ordinary shares held of record by CHJZ Investments Ltd. a company controlled by Cristina Helena Zingaretti Junqueira and Rubens Fernandes Pereira who together hold 100% of its shares.
- (5) Consists of (i) 5,198,366 Class A shares and 929,624,498 Class B shares held of record by Rua California Ltd., a company controlled by David Vélez Osorno, who holds 100% of its shares. David Vélez Osorno may be deemed to have voting and dispositive power over the shares held by Rua California Ltd.
- (6) Based on information reported by BlackRock, Inc. on Schedule 13G filed with the SEC on November 8, 2024, BlackRock, Inc. reported that it has sole dispositive power with respect to all shares and sole voting power with respect to 245,505,611 shares.
- (7) Based on information reported by SC US (TTGP), LTD. on Schedule 13G/A filed with the SEC on February 14, 2024, SC US (TTGP), LTD. reported that it has neither sole dispositive power nor sole voting power with respect to the shares and such powers are shared among and with its affiliates Sequoia Capital Fund Parallel, LLC, Sequoia Capital Fund, L.P., and Sequoia Capital Fund Management, L.P.. SC US (TTGP), LTD.
- (8) Based on information reported by Capital Research Global Investors on Schedule 13G filed with the SEC on November 12, 2024, Capital Research Global Investors reported that it has sole dispositive power with respect to all shares and sole voting power with respect to 247,552,524 shares.
- (9) Based on information reported by Baillie Gifford & Co on Schedule 13G filed with the SEC on November, 4, 2024 , Baillie Gifford & Co reported that it has sole dispositive power with respect to all shares and sole voting power with respect to 151,604,208 shares.
- The holders of our Class A ordinary shares and Class B ordinary shares have identical rights, except that (1) holders of Class B ordinary shares are entitled to 20 votes per share, whereas holders of our Class A ordinary shares are entitled to one vote per share; (2) holders of Class B ordinary shares have certain conversion rights; (3) holders of Class B ordinary shares are entitled to preemptive rights in the event that there is an increase in our share capital or additional ordinary shares are issued in order to maintain their proportional ownership interest; and (4) holders of Class B ordinary shares have certain consent rights. For more information see “Item 10. Additional Information—B. Memorandum and Articles of Association.”

B. Related Party Transactions

Investors’ Rights Agreement

We are party to a registration rights agreement, dated as of November 18, 2021, which provides, among other things, that certain holders of our share capital have the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. See “Item 10. Additional Information—B. Memorandum and Articles of Association—Registration Rights” for additional information regarding the registration rights.

2021 Contingent Share Award (CSA)

On November 22, 2021, the Company granted Mr. Vélez (through its holding company Rua California Ltd.) the right under the 2021 Contingent Share Award (CSA) to be issued: (i) a number of Class A ordinary shares equal to 1% of the total number of ordinary shares in issue (on an as converted, fully diluted basis) of the Company when the Class A share price is equal to or greater than US\$18.69 per share but less than US\$35.30 per share; and (ii) a number of Class A ordinary shares equal to 1% of the total number of ordinary shares in issue (on an as-converted, fully diluted basis) of the Company when the Class A share price is equal to or greater than US\$35.30 per share.

The 2021 Contingent Share Award accounted for nearly 100% of Mr. Vélez’s total compensation.

In determining the awards, our board of directors took into consideration Mr. Vélez’s unparalleled leadership and contributions since the inception of Nu, his past and expected future contributions to us and our Board of Directors’ desire to provide meaningful incentives to achieve our ambitious company goals.

On November 29, 2022, Mr. Vélez informed the Company of his unilateral decision to terminate the 2021 Contingent Share Award, and the Company agreed to terminate the award at the request of Mr. Vélez. Our Board of Directors and compensation and people committee agreed to the termination of the 2021 Contingent Share Award (CSA) on the basis that it has constituted a unilateral transfer of future value from Mr. Vélez to the Company – and, consequently, all shareholders – and has not impacted his roles and responsibilities as our Chairman and CEO. Mr. Vélez has not received any consideration for the termination of the 2021 Contingent Share Award (CSA).

Mr. Vélez’s decision to seek termination of the 2021 Contingent Share Award (CSA) considered a number of factors, including: (i) efficiency – as a result of the termination of the 2021 Contingent Share Award, the Company will no longer need to recognize the share-based expenses in the aggregate amount of US\$355.6 million in the seven years following the termination date and contribute to the Company’s strong focus on efficiency associated with the ongoing macroeconomic environment; and (ii) dilution – the termination of the 2021 Contingent Share Award (CSA) will avoid the potential dilution of the shareholders of the Company in an amount equivalent to up to 2% of the total number of ordinary shares in issue (on an as-converted, fully diluted basis).

The termination of the 2021 Contingent Share Award (CSA) resulted in a one-time, non-cash recognition of expenses in the total amount of US\$355.6 million in the 2022 fourth quarter results of the Company, according to accounting guidelines set forth under the International Financial Reporting Standard 2 on Share-based Payment issued by the International Accounting Standards Board, or “IFRS 2”. After such one-time recognition, the Company will no longer account for any expense associated with the 2021 Contingent Share Award (CSA).

Upon the granting of the 2021 Contingent Share Award (CSA), the Company determined its fair value using a Monte Carlo simulation model, which uses multiple input variables to determine the probability of satisfying the market conditions requirements. The fair value of the 2021 Contingent Share Award (CSA) was estimated at US\$423 million and, as required by the applicable accounting guidelines, was expected to be recognized by the Company as share-based compensation expenses. As noted above, the 2021 Contingent Share Award was terminated in November 2022.

Limitation of Liability and Indemnification of Officers and Directors

Our Memorandum and Articles of Association contain provisions that limit the liability of our directors, agents and officers for monetary damages for any liability incurred by them as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur (i) arising from their own fraud, willful default or dishonesty, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which such person derived any improper benefit.

Any repeal or modification of the foregoing provisions of our Memorandum and Articles of Association by our shareholders will not adversely affect any right or protection of any of our directors, agents or officers existing at the time of, or increase the liability of any such director, agent or officer with respect to any acts or omissions of such director, agent or officer occurring prior to, such repeal or modification.

In addition, our Memorandum and Articles of Association contain provisions that indemnify each of our directors, agents or officers out of our assets against any liability incurred by them as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur (i) arising from their own fraud, willful default or dishonesty, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which such person derived any improper benefit.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included or are expected to be included in our Memorandum and Articles of Association and in indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other shareholders. Further, a shareholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.



Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related-Party Transactions Policy

In October 2021, we entered into a related party transaction policy, which requires certain related party transactions to be approved by our board of directors or a designated committee thereof, including our Audit and Risk Committee.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial information

A. Consolidated Statements and Other Financial Information

Financial Statements

See “Item 18. Financial Statements,” which contains our audited financial statements prepared in accordance with IFRS.

Dividend and Dividend Policy

We have never declared or paid any cash dividends on our share capital. Nu has not adopted a dividend policy with respect to future declarations and payment of dividends. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that our board of directors may deem relevant. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future.

Certain Legal Requirements Related to Dividends

Under the Companies Act and our Memorandum and Articles of Association, a Cayman Islands company may pay a dividend out of either its distributable reserves (retained and current profit) or share premium account, but a dividend may not be paid if the company is, or the dividend would result in the company being, unable to pay its debts as they fall due in the ordinary course of business. According to our Memorandum and Articles of Association, dividends can be declared and paid out of funds lawfully available to us, which includes share premium. Dividends, if any, would be paid in proportion to the number of ordinary shares a shareholder holds. For further information, see “Item 10. Additional Information—E. Taxation—Cayman Islands Tax Considerations.”

Additionally, please refer to “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our holding company structure makes us dependent on the operations of our subsidiaries.” Our ability to pay dividends is directly related to positive and distributable net results from our subsidiaries. We depend on dividend distributions by our subsidiaries, and we may be adversely affected if the performance of our subsidiaries is not positive. If, for any legal reasons due to new laws or bilateral agreements between countries, they are unable to pay dividends to Cayman Islands companies, or if a Cayman Islands company becomes incapable of receiving them, we may not be able to make any dividend payments in the future.

Our Brazilian subsidiaries that are incorporated as a Brazilian corporation (*sociedade anônima*) are required under Federal Law No. 6,404 dated December 15, 1976, as amended, to distribute a mandatory minimum dividend to shareholders each year, which cannot be lower than a given percentage established in the relevant corporation’s bylaws of its net income for the prior year, which percentage will be considered to be 25% in case nothing is said in the bylaws, after 5% of the profits are directed to a legal reserve, unless such distribution is suspended by a decision of such subsidiary’s shareholders at its annual shareholders’ meeting based on a report by its board of directors that such distribution would be incompatible with its financial condition at that time. Our Brazilian subsidiaries that are incorporated as a Brazilian limited liability company (*sociedade limitada*) may also have specific mandatory dividend payment rules pursuant to their articles of association. In addition, if for any legal reasons due to new laws or bilateral agreements between countries, our Brazilian subsidiaries are unable to pay dividends to Cayman Islands companies, or if a Cayman Islands company becomes incapable of receiving them, we may not be able to make any dividend payments in the future.

Our Colombian and Mexican subsidiaries may also face restrictions on their ability to pay dividends under applicable local laws.

Legal Proceedings

We are, and may be, from time to time, involved in disputes that arise in the ordinary course of our business. Any claims against us, whether meritorious or not, can be time-consuming, result in costly litigation, require significant management time and result in the diversion of significant operational resources.

We are subject to a number of judicial and administrative proceedings, including civil, labor and tax law and social security claims and other proceedings, which we believe are common and incidental to business operations in general. We recognize provisions for legal proceedings in our financial statements, when we are advised by independent outside counsel that (1) it is probable that an outflow of resources will be required to settle the obligation; and (2) a reliable estimate can be made of the amount of the obligation. The assessment of the likelihood of loss includes analysis by management and outside counsel of available evidence, the hierarchy of laws, available case law, recent court rulings and their relevance in the legal system. Our provisions for probable losses arising from these matters are estimated and periodically adjusted by management.

On September 8, 2023, Instituto de Defesa Coletiva, or “IDC” filed a class action lawsuit against Nu Pagamentos and other financial institutions (5 in total) seeking a R\$ 50 million indemnification for the financial crisis that affected 123 Milhas, a Brazilian company that offers travel packages and services to consumers. In summary, Instituto Defesa Coletiva argues that, ever since 123 Milhas suspended travel packages and flight tickets issuance, several clients tried to suspend charges on their credit card bills but did not succeed, in violation of Article 54-G of the Consumer’s Protection Act. Nu Pagamentos filed its defense on February 09, 2024 and now awaits further developments.



As of December 31, 2024, the total amount of judicial deposits was US\$5.7 million (US\$3.5 million on December 31, 2023) and is substantially attributed to the judicial deposit carried on behalf of the shareholders of Nu Investimentos, prior to the acquisition, due to a tax proceeding related to withholding taxes inappropriately deducted from amounts paid to employees. The relevant reduction in judicial deposits amount occurred due to the withdrawal of a tax dispute that resulted in the transfer of the deposited amount to the Government in 2023. However, legal proceedings are inherently unpredictable and subject to significant uncertainties. If one or more cases were to result in a judgment against us in any reporting period for amounts that exceeded our management’s expectations, the impact on our results of operations or financial condition for that reporting period could be material. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Regulatory Matters and Litigation—Litigation, proceedings or similar matters, or adverse facts and developments related thereto, could materially affect our business, financial condition and results of operations.”

For further information, see note 23 to our audited consolidated financial statements included elsewhere in this annual report.

B. Significant Changes

None.

Item 9. The Offer and Listing

A. Offer and Listing Details

Not applicable.

B. Plan of Distribution

Not applicable.

C. Markets

Our class A ordinary shares, par value US\$0.000006666666667 per share have been listed on the NYSE since December 8, 2021 under the symbol “NU.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Our shareholders adopted the Memorandum and Articles of Association included as Exhibit 3.1 to this annual report.

Share Capital

Our Memorandum and Articles of Association authorize two classes of ordinary shares: Class A ordinary shares, which are entitled to one vote per share, and Class B ordinary shares, which are entitled to 20 votes per share and to maintain a proportional ownership interest in the event that additional Class A ordinary shares are issued. Any holder of Class B ordinary shares may convert his or her shares at any time into Class A ordinary shares on a share-for-share basis. The rights of the two classes of ordinary shares are otherwise identical, except as described below. See “—Anti-Takeover Provisions in our Memorandum and Articles of Association—Two Classes of Ordinary Shares.”

As of the date of this annual report, our authorized share capital is US\$324,022.94, consisting of 48,603,441,210 shares of par value US\$0.000006666666667 each, and we have 3,768,057,942 Class A ordinary shares, and 1,050,600,698 Class B ordinary shares issued and outstanding. The remaining authorized but unissued shares are presently undesignated and may be issued by our board of directors as ordinary shares of any class or as shares with preferred, deferred or other special rights or restrictions.

Treasury Shares

At the date of this annual report, we have no shares in the treasury.

Issuance of Shares

Except as expressly provided in our Memorandum and Articles of Association, our board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the company’s capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act.

Our Memorandum and Articles of Association provide that at any time that there are Class A ordinary shares in issue, additional Class B ordinary shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B ordinary shares as full or partial consideration; or (3) an issuance of Class A ordinary shares, whereby holders of the Class B ordinary shares are entitled to purchase a number of Class B ordinary shares that would allow them to maintain their proportional ownership interest in the company (following an offer by us to each holder of Class B ordinary shares to issue to such holder, upon the same economic terms, such number of Class B ordinary shares as would allow such holder to maintain its proportional ownership interest in the company pursuant to our Memorandum and Articles of Association). In light of: (a) the above provisions; and (b) the 20-to-1 voting ratio between our Class B ordinary shares and Class A ordinary shares, holders of our Class B ordinary shares will in many situations continue to maintain control of all matters requiring shareholder approval. This concentration of ownership and voting power will limit or preclude your ability to influence corporate matters for the foreseeable future. For more information see “—Ordinary Shares—Preemptive or Similar Rights.”

Ordinary Shares

Dividend Rights

Subject to preferences that may apply to any preferred shares outstanding at the time, the holders of our ordinary shares are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts legally available therefor that our board of directors may determine. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend and Dividend Policy” for additional information.

Voting Rights

The holder of a Class B ordinary share is entitled, in respect of such share, to 20 votes per share, whereas the holder of a Class A ordinary share is entitled, in respect of such share, to one vote per share. The holders of Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.

Our Memorandum and Articles of Association provide as follows regarding the respective rights of holders of Class A ordinary shares and Class B ordinary shares:

- (1) class consents from the holders of Class A ordinary shares and Class B ordinary shares, as applicable, shall be required for any variation to the rights attached to their respective class of shares, however, the directors may treat the two classes of shares as forming one class if they consider that both such classes would be affected in the same way by the proposal;
- (2) the rights conferred on holders of Class A ordinary shares shall not be deemed to be varied by the creation or issue of further Class B ordinary shares and vice versa; and
- (3) the rights attaching to the Class A ordinary shares and the Class B ordinary shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

As set forth in our Memorandum and Articles of Association, the holders of Class A ordinary shares and Class B ordinary shares, respectively, do not have the right to vote separately if the number of authorized shares of such class is increased or decreased. Rather, the number of authorized Class A ordinary shares and Class B ordinary shares may be increased or decreased (but not below the number of shares of such class then outstanding) by both classes voting together by way of an “ordinary resolution,” which is defined in our Memorandum and Articles of Association as being a resolution (1) of a duly constituted general meeting passed by a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote present in person or by proxy and voting at the meeting; or (2) approved in writing by all of the shareholders entitled to vote at a general meeting in one or more instruments each signed by one or more of the shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.



We have not provided for cumulative voting for the election of directors in our Memorandum and Articles of Association.

Conversion Rights

Each outstanding Class B ordinary share is convertible at any time at the option of the holder into one Class A ordinary share, and each Class B ordinary share will convert automatically into one Class A ordinary share at the election of the holder(s) of a majority of the Class B ordinary shares. In addition, each Class B ordinary share will convert automatically into one Class A ordinary share upon any transfer, whether or not for value, except for certain transfers described in our Memorandum and Articles of Association, including transfers to affiliates of a holder, one or more trustees of a trust established for the benefit of a holder or their affiliates, partnerships, corporations and other entities owned or controlled by a holder or their affiliates, and an organization that is exempt from taxation under Section 501(3)(c) of the Code or to an organization that is exempt from taxation in Brazil under Sections 184, 377 or 378 of the 2018 Internal Tax Regulations and that is controlled, directly or indirectly through one or more intermediaries, by a holder. Furthermore, each Class B ordinary share will convert automatically into one Class A ordinary share and no Class B ordinary shares will be issued thereafter if, on the record date for any shareholders meeting, the aggregate voting power of Class B ordinary shares then outstanding is less than 10% of the aggregate voting power of Class A ordinary shares and Class B ordinary shares outstanding.

Preemptive or Similar Rights

Our Class A ordinary shares are not entitled to preemptive rights, and are not subject to conversion, redemption or sinking fund provisions.

The Class B ordinary shares are entitled to maintain a proportional ownership interest in the event that additional Class A ordinary shares are issued. As such, except for certain exceptions, including the issuance of Class A ordinary shares in furtherance of this offering, if we issue Class A ordinary shares, we must first make an offer to each holder of Class B ordinary shares to issue to such holder on the same economic terms such number of Class B ordinary shares as would allow such holder to maintain its proportional ownership interest in the company. This right to maintain a proportional ownership interest may be waived by the holders of a majority of the Class B ordinary shares.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our shareholders would be distributable ratably among the holders of our ordinary shares and any participating preferred shares outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred shares.

Preferred Shares

Pursuant to our Memorandum and Articles of Association, our board of directors has the authority, subject to limitations prescribed by Cayman Islands law, to issue preferred shares in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our shareholders. Our board of directors can also increase or decrease the number of shares of any series of preferred shares, but not below the number of shares of that series then outstanding, without any further vote or action by our shareholders. Our board of directors may authorize the issuance of preferred shares with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our Class A ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our Class A ordinary shares and the voting and other rights of the holders of our Class A ordinary shares. We have no current plan to issue any preferred shares and had no preferred shares outstanding since our initial public offering.

Equal Status

Except as expressly provided in our Memorandum and Articles of Association, Class A ordinary shares and Class B ordinary shares have the same rights and privileges and rank equally, share proportionally and are identical in all respects as to all matters. In the event of any statutory amalgamation, merger, consolidation, arrangement or other reorganization involving us and requiring the approval of our shareholders entitled to vote thereon, as well as a short-form merger or consolidation that does not require a resolution of our shareholders, the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B ordinary shares, and the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B ordinary shares, in each case solely with respect to economic rights. In the event of any (1) tender or exchange offer to acquire any Class A ordinary shares or Class B ordinary shares by any third party pursuant to an agreement to which we are a party, or (2) tender or exchange offer by us to acquire any Class A ordinary shares or Class B ordinary shares, the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B ordinary shares, and the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B ordinary shares, in each case solely with respect to economic rights.

Options

As of December 31, 2024, we had outstanding options to purchase an aggregate of 35,937,918 Class A ordinary shares, with a weighted-average exercise price of approximately US\$1.58 per share, under our equity compensation plans.

RSUs

As of December 31, 2024, we had outstanding 59,915,454 Class A ordinary shares subject to RSUs under our Omnibus Incentive Plan. Our outstanding RSUs will generally vest upon the satisfaction of a time-based condition. For the majority of our outstanding RSUs under our Omnibus Incentive Plan, the time-based condition will be satisfied upon completion of three years from the vesting commencement date, and the balance will vest in 12 successive equal quarterly installments, subject to continued service through each such vesting date. Grants issued to new employees have a cliff period of one year, which requires them to stay at least for one year if they want to exercise any options.



Registration Rights

Certain holders of our management shares, preferred shares and ordinary shares who are parties to our registration rights agreement are entitled to certain rights under such agreement with respect to the registration of their shares under the Securities Act. In connection with our initial public offering, each shareholder that has registration rights agreed not to sell or otherwise dispose of any securities without the prior written consent of us and the underwriters for a period ended on the later of the 181st day after the date of the prospectus of such public offering and the opening of trading on the second trading day following our public release of earnings for the quarter ended March 31, 2022, subject to certain terms and conditions. See “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management” for additional information regarding such restrictions.

The registration rights set forth in the registration rights agreement will expire on the earlier of (i) five years following the completion of our initial public offering, (ii) with respect to any particular shareholder, when such shareholder holds 1% or less of our outstanding ordinary shares and is able to sell all of its registrable securities pursuant to Rule 144 of the Securities Act during any 90-day period and (iii) immediately prior to our change of control, liquidation, dissolution or winding up. We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the registrations described below.

Demand Registration Rights

Based on the number of our shares outstanding as of December 31, 2024, the holders of up to 4,122,940,042 Class A ordinary shares will be entitled to certain demand registration rights. At any time beginning six months after the effective date of our initial public offering (i.e. December 8, 2021), the holders of at least a majority of these shares then outstanding can request that we register the offer and sale of their shares. Such request for registration must cover securities, the anticipated aggregate public offering price of which is at least US\$50,000,000. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to us and our shareholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Piggyback Registration Rights

If we propose to register the offer and sale of Class A ordinary shares under the Securities Act, in connection with the public offering of such Class A ordinary shares the holders of up to 3,093,003,286 to Class A ordinary shares will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a registration in which the only Class A ordinary shares being registered are Class A ordinary shares issuable upon conversion of debt securities that are also being registered; (ii) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act; or (iii) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our Class A ordinary shares, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

F-3 Registration Rights

Based on the number of our shares outstanding as of December 31, 2024, the holders of up to 4,122,940,042 of the Class A ordinary shares will be entitled to certain Form F-3 registration rights. The holders of at least a majority of these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form F-3 if we are eligible to file a registration statement on Form F-3 so long as the request covers securities the anticipated aggregate public offering price of which, before payment of underwriting discounts and commissions, is at least US\$5,000,000. These shareholders may make an unlimited number of requests for registration on Form F-3; however, we will not be required to effect a registration on Form F-3 if we have effected one such registration within the 12-month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to us and our shareholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Record Dates

For the purpose of determining shareholders entitled to notice of, or to vote at any general meeting of shareholders or any adjournment thereof, or shareholders entitled to receive dividend or other distribution payments, or in order to make a determination of shareholders for any other purpose, our board of directors may set a record date which shall not exceed forty (40) clear days prior to the date where the determination will be made.

General Meetings of Shareholders

As a condition of admission to a shareholders’ meeting, a shareholder must be duly registered as such at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to us in respect of the shares that such shareholder holds must have been paid.

Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per Class A ordinary share and 20 votes per Class B ordinary share.

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call annual general meetings; however, our Memorandum and Articles of Association provide that in each year the company will hold an annual general meeting of shareholders. For the annual general meeting of shareholders the agenda will include, among other things, the presentation of the annual accounts and the report of the directors (if any). In addition, the agenda for an annual general meeting of shareholders will only include such items as have been included therein by the board of directors.

Also, we may, but are not required to (unless required by the laws of the Cayman Islands), hold other extraordinary general meetings during the year. Extraordinary general meetings of shareholders may be held where the directors decide.

The Companies Act provides shareholders a limited right to request a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting in default of a company’s memorandum and articles of association. However, these rights may be provided in a company’s memorandum and articles of association. Our Memorandum and Articles of Association provide that for so long as our founding shareholder controls a majority of the voting power of the shares of the Company, a general meeting of shareholders may be convened on the requisition of the holders of a majority of the voting power of our shares. However, if our founding shareholder controls less than a majority of the voting power of our shares, no shareholder shall have the power to requisition a meeting of shareholders. Our Memorandum and Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting must be called by at least 21 days’ (and not less than 15 clear business days’) notice and any extraordinary general meeting by at least 14 days’ (and not less than 10 clear business days’) notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regard to the annual general meeting, and the holders of 75% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

We will give notice of each general meeting of shareholders by publication on our website and in any other manner that may be required in order to comply with Cayman Islands law, NYSE and SEC requirements. The holders of registered shares may be given notice of a shareholders’ meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders’ register, or, subject to certain statutory requirements, by electronic means.

Holders whose shares are registered in the name of DTC or its nominee, which we expect will be the case for all holders of Class A ordinary shares, will not be a shareholder or member of the company and must rely on the procedures of DTC regarding notice of shareholders’ meetings and the exercise of rights of a holder of the Class A ordinary shares.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than a majority of the aggregate shares in issue and entitled to vote upon the business to be transacted. If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, a second meeting may be called as the Directors may determine, and if at the second meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the shareholders present shall be a quorum.

A resolution put to a vote at a general meeting shall be decided on a poll. Generally speaking, an ordinary resolution to be passed by the shareholders at a general meeting requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote, present in person or by proxy and voting at the meeting and a special resolution requires the affirmative vote on a poll of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all of our shareholders, as permitted by the Companies Act and our Memorandum and Articles of Association.

Pursuant to our Memorandum and Articles of Association, general meetings of shareholders are to be chaired by the chairman of our board of directors or in his absence the vice-chairman of the board of directors. If the chairman or vice-chairman of our board of directors is absent, the directors present at the meeting shall appoint one of them to be chairman of the general meeting. If neither the chairman nor another director is present at the general meeting within 30 minutes after the time appointed for holding the meeting, then such meeting shall be adjourned for a one-week period and shall be held in the following week on the same day at the same time and place. If at the adjournment of the meeting the chairman or in his absence the vice-chairman (if any) or in their absence a director is not willing to act as chairman, or if no director is present within thirty (30) minutes after the time appointed for holding the meeting, then such meeting shall be canceled. The order of business at each meeting shall be determined by the chairman of the meeting, and he or she shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on our affairs, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls.

Changes to Capital

Pursuant to our Memorandum and Articles of Association, we may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;

- consolidate and divide all or any of our share capital into shares of a larger amount than its existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid-up shares of any denomination;
- subdivide our existing shares or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by us for an order confirming such reduction, reduce its share capital or any capital redemption reserve in any manner permitted by law.

In addition, subject to the provisions of the Companies Act and our Memorandum and Articles of Association and the Shareholder’s Agreement, we may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase its own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the Companies Act, including out of our own capital.

Transfer of Shares

Subject to any applicable restrictions set forth in the Memorandum and Articles of Association and the Shareholder’s Agreement, any shareholder of Nu may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or in the form prescribed by the NYSE or any other form approved by our board of directors.

Our Class A ordinary shares are traded on the NYSE in book-entry form and may be transferred in accordance with our Memorandum and Articles of Association and the NYSE’s rules and regulations.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is either not fully paid up to a person of whom it does not approve or is issued under any share incentive scheme for employees which contains a transfer restriction that is still applicable to such ordinary share. The board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate (if any) for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are free of any lien in favor of us; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If the directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

Share Repurchase

The Companies Act and our Memorandum and Articles of Association permit us to purchase our own shares, subject to certain restrictions. Our board of directors may only exercise this power on behalf of Nu, subject to the Companies Act and our Memorandum and Articles of Association, the Shareholder’s Agreement and any applicable requirements imposed from time to time by SEC, the NYSE or by any recognized stock exchange on which our shares are listed.

Dividends and Capitalization of Profits

We have not adopted a dividend policy with respect to payments of any future dividends. Subject to the Companies Act and general principles of Cayman Islands law, our shareholders may, by ordinary resolution, declare dividends (including interim dividends) to be paid to shareholders but no dividend shall be declared in excess of the amount recommended by the board of directors. The board of directors may also declare dividends. Dividends may be declared and paid out of funds lawfully available to us. Except as otherwise provided by the rights attached to shares and our Memorandum and Articles of Association, all dividends shall be paid in proportion to the number of Class A ordinary shares or Class B ordinary shares a shareholder holds at the date the dividend is declared (or such other date as may be set as a record date); but, (1) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly and (2) where we have shares in issue which are not fully paid up (as to par value), we may pay dividends in proportion to the amounts paid up on each share.



The holders of Class A ordinary shares and Class B ordinary shares shall be entitled to share equally in any dividends that may be declared in respect of our ordinary shares from time to time. In the event that a dividend is paid in the form of Class A ordinary shares or Class B ordinary shares, or rights to acquire Class A ordinary shares or Class B ordinary shares, (1) the holders of Class A ordinary shares shall receive Class A ordinary shares, or rights to acquire Class A ordinary shares, as the case may be and (2) the holders of Class B ordinary shares shall receive Class B ordinary shares, or rights to acquire Class B ordinary shares, as the case may be.

Appointment, Disqualification and Removal of Directors

We are managed by our board of directors. Our Memorandum and Articles of Association provide that the board of directors will be composed of such a number of directors as a majority of directors in office may determine, being up to nine directors on the date of adoption of our Memorandum and Articles of Association. There are no provisions relating to retirement of directors upon reaching any age limit.

Our Memorandum and Articles of Association provide that directors shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present, in person or by proxy, at a quorate general meeting of the Company. Notwithstanding the foregoing, for so long as our founding shareholder owns at least 5% of the voting power of our outstanding share capital, our founding shareholder shall be entitled to nominate a certain number of designees to the board for a specific term, as set out in our Memorandum and Articles of Association. In particular, our Memorandum and Articles of Association provide that, subject to compliance with applicable law and NYSE rules, for so long as our founding shareholder and his affiliates beneficially own shares constituting at least 40% of the voting power of our outstanding share capital, the founding shareholder shall be entitled to designate up to five nominees to our board of directors (or if the size of the board of directors is increased, a majority of the members of the board of directors); for so long as our founding shareholder and its affiliates beneficially own at least 25% of the voting power of our outstanding share capital, the founding shareholder shall be entitled to designate up to three nominees to our board of directors (or if the size of the board of directors is increased, one-third of the members of the board of directors); and for so long as our founding shareholder and its affiliates beneficially own at least 5% of the voting power of our outstanding share capital, our founding shareholder shall be entitled to designate one nominee to our board of directors (or if the size of the board of directors is increased, 10% of the members of the board of directors). The founding shareholder may in like manner remove such director(s) appointed by him and appoint replacement director(s).

Each director shall be appointed for a one-year term, unless they resign or their office is vacated earlier, provided, however, that such term shall be extended beyond one year in the event that no successor has been appointed (in which case such term shall be extended to the date on which such successor has been appointed).

Our Memorandum and Articles of Association provide that from and after the date on which the founding shareholder (together with his affiliates) no longer beneficially owns more than 50% of our outstanding voting power, or the classifying date, the directors shall be divided into three classes designated as Class I, Class II and Class III. Each director shall serve for a term ending on the date of the third annual general shareholders meeting following the annual general shareholders meeting at which such director was elected as subject to the provisions of our Memorandum and Articles of Association. The founding directors shall be allocated to the longest duration classes unless otherwise determined by the board of directors.



Grounds for Removing a Director

A director may be removed with or without cause by ordinary resolution, and a director nominated by our founding shareholder may be removed by our founding shareholder at any time with or without cause by notice to us. The notice of the general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Proceedings of the Board of Directors

Our Memorandum and Articles of Association provide that our business is to be managed and conducted by the board of directors. The quorum necessary for the board meeting shall be a simple majority of the directors then in office, and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a casting vote.

Subject to the provisions of our Memorandum and Articles of Association, the members of the board of directors may regulate its proceedings as they determine is appropriate. Board meetings shall be held at least once every calendar quarter and shall take place at such place as the directors may determine.

Subject to the provisions of our Memorandum and Articles of Association, to any directions given by ordinary resolution of the shareholders and the listing rules of the NYSE, the board of directors may from time to time at its discretion exercise all powers of Nu, including, subject to the Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or corporate records. However, the board of directors may determine from time to time whether and to what extent our accounting records and books shall be open to inspection by shareholders who are not members of the board of directors. Notwithstanding the above, our Memorandum and Articles of Association provide shareholders with the right to receive annual financial statements. Such right to receive annual financial statements may be satisfied by publishing the same on the company's website or filing such annual reports as we are required to file with the SEC.

Register of Shareholders

Our Class A ordinary shares offered are held through DTC, and DTC or Cede & Co., as nominee for DTC, will be recorded in the shareholders’ register as the holder of our Class A ordinary shares. Under Cayman Islands law, we must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, our register of shareholders is prima facie evidence of the matters set out therein (i.e., the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have prima facie legal title to the shares as set against his or her name in the register of shareholders. The shareholders recorded in the register of shareholders should be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from the register of shareholders, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of Nu, the person or member aggrieved (or any shareholder of ours, or Nu itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Anti-Takeover Provisions in Our Memorandum and Articles of Association

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable. In particular, our capital structure concentrates ownership of voting rights in the hands of our founding shareholder, as our controlling shareholder. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of our company to first negotiate with the board of directors. However, these provisions could also have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of the Class A ordinary shares that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Two Classes of Ordinary Shares

Our Class B ordinary shares are entitled to 20 votes per share, while the Class A ordinary shares are entitled to one vote per share. Since our co-founders own all of the Class B ordinary shares, our co-founders currently have the ability to elect a majority of the directors and to determine the outcome of most matters submitted for a vote of shareholders, with our founding shareholder as the controlling shareholder. This concentrated voting control could discourage others from initiating any potential merger, takeover, or other change of control transaction that other shareholders may view as beneficial.



So long as our co-founders have the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of Nu, third parties may be deterred in their willingness to make an unsolicited merger, takeover, or other change of control proposal, or to engage in a proxy contest for the election of directors. As a result, the fact that we have two classes of ordinary shares may have the effect of depriving you as a holder of Class A ordinary shares of an opportunity to sell your Class A ordinary shares at a premium over prevailing market prices and make it more difficult to replace our directors and management.

Preferred Shares

Our Memorandum and Articles of Association provide our board of directors with wide powers to issue additional shares, and one or more classes or series of preferred shares, with or without preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as the board of directors may determine, to the extent authorized but unissued. The issuance of additional shares may be used as an anti-takeover device without further action on the part of our shareholders. Such issuance may further dilute the voting power of existing holders of Class A ordinary shares.

Despite the anti-takeover provisions described above, under Cayman Islands law, our board of directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, for what they believe in good faith to be in our best interests.

Requisitioning General Meetings

Our Memorandum and Articles of Association provide that, for so long as our founding shareholder controls a majority of the voting power of our shares, a general meeting of shareholders may be convened on the requisition of the holders of a majority of the voting power of our shares. However, if our founding shareholder controls less than a majority of the voting power of our shares, no shareholder shall have the power to requisition a meeting of shareholders. Accordingly, our shareholders will have limited rights to requisition and convene general meetings of shareholders.

Consent over a Change of Control

Our Memorandum and Articles of Association provide that for so long as David Vélez Osorno and his affiliates beneficially own shares accounting for at least 10% of the voting power of our issued share capital, we will not take, or permit our subsidiaries to take, certain actions without the prior written approval of a majority of the Class B ordinary shares in issue, including entering into a merger, consolidation, reorganization or other business combination or a transaction or series of transactions that would result in a change of control.

Staggered Board

Our Memorandum and Articles of Association provide that, from and after the date that David Vélez Osorno and his affiliates no longer beneficially own more than 50% of the voting power of our issued share capital, we shall cause our board of directors to be divided into three classes serving staggered three-year terms. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of shareholders will be necessary for shareholders to effect a change in a majority of the members of the board of directors.

Exclusive Forum

Under our Memorandum and Articles of Association, unless we consent to a different forum, (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or any other person, (iii) any action or proceeding arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Companies Act, our Memorandum and Articles of Association, or any other provision of applicable law, (iv) any action or proceeding seeking to interpret, apply, enforce or determine the validity of our Memorandum and Articles of Association or (v) any action or proceeding as to which the Companies Act confers jurisdiction on the Grand Court of the Cayman Islands may only be brought before the Grand Court of the Cayman Islands, in all cases subject to the court having jurisdiction over indispensable parties named as defendants. In addition, any complaint asserting a cause of action arising under the Securities Act may only be brought before the federal district courts of the United States. Nothing in our Memorandum and Articles of Association will preclude shareholders that assert claims under the Exchange Act from bringing such claims in any court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring or holding any interest in our securities shall be deemed to have notice of and consented to these exclusive forum provisions. However, shareholders will not be deemed to have waived our compliance with U.S. federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims arising under federal securities laws or otherwise, a court could find the exclusive forum provision contained in our Memorandum and Articles of Association to be inapplicable or unenforceable.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A ordinary shares is Computershare Trust Company, N.A. The transfer agent and registrar’s address is 250 Royall Street, Canton, MA 02021-1011.

C. Material Contracts

We are party to certain material license agreements with Mastercard in connection with our activities as an issuer of Mastercard credit products.

Our License Agreement, dated as of January 29, 2014, between Mastercard International Incorporated, or “Mastercard,” and EO2 Soluções de Pagamento S.A., sets forth the general terms and conditions under which Mastercard has granted to us a non-exclusive license to use certain trade names, trademarks, service marks and logotypes in Brazil in connection with our issuance of credit products, subject to Mastercard’s standard terms (as amended from time to time). No consideration is due to Mastercard under this agreement.



Our License Agreement, dated as of January 3, 2019, between Mastercard and Nu Bn Mexico Sociedad Anonima de Capital Variable, or “Nu Servicios,” sets forth the general terms and conditions under which Mastercard has granted to us a nonexclusive license to use certain trade names, trademarks, service marks and logotypes in Mexico in connection with our issuance of credit products, subject to Mastercard’s standard terms (as amended from time to time). No consideration is due to Mastercard under this agreement.

Our License Agreement, dated as of April 24, 2020 and as amended from time to time, between Mastercard and Nu Pagamentos, sets forth the general terms and conditions under which Mastercard has granted to us a nonexclusive license to use certain trade names, trademarks, service marks and logotypes in Colombia in connection with our issuance of credit products, subject to Mastercard’s standard terms (as amended from time to time). No consideration is due to Mastercard under this agreement.

In addition, see “Item 7. Major Shareholders and Related-Party Transactions—B. Related-Party Transactions.”

Except as otherwise disclosed in this annual report on Form 20-F (including the Exhibits), we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange Controls

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

E. Taxation

The following summary contains a description of certain Cayman Islands, U.S. and Brazilian federal income tax consequences of the acquisition, ownership and disposition of our Class A ordinary shares. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Class A ordinary shares, is not applicable to all categories of investors, some of which may be subject to special rules, and does not address all of the Cayman Islands, U.S. and Brazilian federal income tax considerations applicable to any particular holder. The summary is based upon the tax laws of the Cayman Islands and regulations thereunder, upon the tax laws of the United States and regulations thereunder and upon the tax laws of Brazil and regulations thereunder as of the date hereof, which are subject to change.

Prospective purchasers of our Class A ordinary shares should consult their own tax advisors about the particular Cayman Islands, U.S. and Brazilian federal, state, local and other tax consequences to them of the acquisition, ownership and disposition of our Class A ordinary shares.

Cayman Islands Tax Considerations

The Cayman Islands laws currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of Class A ordinary shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

As a Cayman Islands exempted company with limited liability, we are entitled, upon application, to receive an undertaking as to tax concessions pursuant to Section 6 of the Tax Concessions Act (as revised). On September 9, 2019, we received this undertaking which provides that, for a period of 20 years from the date of issue of the undertaking, no law thereafter enacted in the Cayman Islands imposing any taxes to be levied on profits, income, gains or appreciation will apply to us or our operations.

Payments of dividends and capital in respect of our Class A ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required under Cayman Islands law on the payment of a dividend or capital to any holder of our Class A ordinary shares, nor will gains derived from the disposal of our Class A ordinary shares be subject to Cayman Islands income or corporation tax.

There is no income tax treaty or convention currently in effect between the United States and the Cayman Islands.

U.S. Federal Income Tax Considerations

The following summary describes the material U.S. federal income tax considerations to the U.S. Holders (as defined below) of owning and disposing of Class A ordinary shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person’s decision to hold our Class A ordinary shares. This discussion applies only to a U.S. Holder that holds Class A ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax considerations that may be relevant in light of a U.S. Holder’s particular circumstances, including alternative minimum tax considerations, the potential application of the provisions of the Internal Revenue Code of 1986, as amended, the “Code,” known as the Medicare contribution tax and tax considerations applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- real estate investment trusts or regulated investment companies;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding Class A ordinary shares as part of a straddle, wash sale, hedging transaction, conversion transaction or other integrated transaction or entering into a constructive sale with respect to Class A ordinary shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons that are subject to the “applicable financial statement” rules under Section 451(b) of the Code;

- tax-exempt entities, including an “individual retirement account,” or Roth IRA;
- persons holding Class A ordinary shares that own or are deemed to own 10% or more of our shares (by vote or value);
- persons owning Class A ordinary shares in connection with a trade or business conducted outside of the United States; or
- entities or arrangements classified as partnerships for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our Class A ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A ordinary shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax considerations of owning and disposing of the Class A ordinary shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions, and final, temporary and proposed U.S. Treasury regulations, all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect.

A “U.S. Holder” is a beneficial owner of Class A ordinary shares that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our Class A ordinary shares in their particular circumstances.

Except where otherwise indicated, this discussion assumes that we are not, and will not become, a passive foreign investment company, or “PFIC,” as described below.

Taxation of Distributions

Any distributions paid on our Class A ordinary shares, other than certain pro rata distributions of our Class A ordinary shares, will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions will generally be reported to U.S. Holders as dividends. Subject to applicable limitations and the discussion in “Passive Foreign Investment Company Rules” below, dividends paid by qualified foreign corporations to certain non-corporate U.S. Holders are taxable at rates applicable to long-term capital gains. A foreign corporation is treated as a qualified foreign corporation with respect to dividends paid on stock that is readily tradable on an established securities market in the United States. The NYSE, on which the Class A ordinary shares are listed, is an established securities market in the United States and we anticipate that our Class A ordinary shares should qualify as readily tradable, although there can be no assurances in this regard.

U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances. The amount of any dividend will generally be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder’s income on the date of the U.S. Holder’s receipt of the dividend.

Sale or Other Disposition of Class A Ordinary Shares

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” for U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of Class A ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if a U.S. Holder has held the Class A ordinary shares for more than one year. Long-term capital gains of individuals and other non-corporate U.S. Holders are eligible for reduced rates of taxation. The amount of the gain or loss will equal the difference between a U.S. Holder’s tax basis in the Class A ordinary shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. See “—Brazilian Tax Considerations” for a description of when a disposition may be subject to taxation by Brazil. Such gain or loss will generally be U.S. source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations.

Foreign Tax Credits

On December 28, 2021, new Treasury Regulations pertaining to foreign tax credits, or the “Final Treasury Regulations,” were released that impose significant new limitations on the non-U.S. taxes for which a foreign tax credit can be claimed. Subsequently released notices from the IRS indicate, however, that Treasury and the IRS are considering proposing amendments to such Treasury regulations and allow, subject to certain conditions, taxpayers to defer the application of many aspects of such Treasury regulations until the date that further IRS guidance is released.

In addition, because a U.S. Holder’s gains from the sale or exchange of shares will generally be treated as U.S.-source income, certain generally applicable limitations may preclude a U.S. Holder from claiming a credit for all or a portion of the Brazilian income taxes imposed on any such gains. However, a U.S. Holder may, at its election, deduct such Brazilian income taxes in computing taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all creditable foreign taxes paid or accrued in the relevant taxable year. U.S. Holders should consult their tax advisors as to the creditability or deductibility of any Brazilian tax in their particular circumstances (including any applicable limitations).

Passive Foreign Investment Company Rules

Under the Code, we will be a PFIC for any taxable year in which, after applying certain look-through rules, either (i) 75% or more of our gross income consists of “passive income,” or (ii) 50% or more of the average value (generally determined on a quarterly basis) of our assets consists of assets that produce, or are held for the production of, “passive income.” We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation where we own, directly or indirectly, more than 25% (by value) of the corporation’s stock. Passive income generally includes dividends, interest, rents, certain non-active royalties, and capital gains. Cash is generally a passive asset for these purposes.

The application of the PFIC rules to businesses that undertake banking activities is unclear under present U.S. federal income tax law. Such businesses generally derive a substantial part of their income from assets that are interest bearing or that otherwise would be considered passive under the PFIC rules. The IRS issued the 2021 Proposed Regulations, and previously issued a notice in 1989 (Notice 89-81, or the “Notice”) and the 1995 Proposed Regulations, that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank, or the “active bank exception.” The 2021 Proposed Regulations are proposed to be effective for taxable years of shareholders beginning on or after the date such regulations are finalized (but can electively be applied earlier), while the 1995 Proposed Regulations are proposed to be effective for taxable years beginning after December 31, 1994 and provide that taxpayers may apply the 1995 Proposed Regulations to a taxable year beginning after December 31, 1986, provided the 1995 Proposed Regulations are consistently applied to that taxable year and all subsequent taxable years.

The 2021 Proposed Regulations, the Notice, and the 1995 Proposed Regulations each have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception, but the preamble to the 2021 Proposed Regulations authorizes taxpayers to rely upon the Notice or the 1995 Proposed Regulations to determine whether income of a foreign bank may be treated as non-passive. Under both the 2021 Proposed Regulations and the 1995 Proposed Regulations, a qualifying foreign bank must be licensed in the country of its incorporation to do business as a bank and must also carry on one or more specified activities, including regularly receiving bank deposits from unrelated customers in the course of its banking business. While the 2021 Proposed Regulations are silent on this matter, under both the Notice and 1995 Proposed Regulations, loans made in the ordinary course of a banking business are not treated as passive assets.

Based on the 1995 Proposed Regulations, including those which are proposed to be effective for taxable years beginning after December 31, 1994 and our current operations, income, assets and certain estimates and projections (such as the relative values of our assets, including goodwill), we do not believe that we were a PFIC for our 2024 taxable year. However, there can be no assurance that the IRS will agree with our conclusion. Among other reasons, whether we were a PFIC in 2024 or will be a PFIC in any future taxable year is uncertain because: (i) the 1995 Proposed Regulations may not be finalized in their current form, (ii) PFIC status is determined on an annual basis at the end of each taxable year, and (iii) the composition of our income and assets and the market value of our assets (which may be determined, in part, by reference to the market price of our Class A ordinary shares, which could be volatile) may vary from time to time. The application of the 2021 Proposed Regulations is not entirely clear and, if we can no longer rely on the 1995 Proposed Regulations, and the 2021 Proposed Regulations are adopted in their current form, there can be no assurances that we will not be considered a PFIC for any taxable year. If we are a PFIC for any year during which a U.S. Holder holds Class A ordinary shares, we would generally continue to be treated as a PFIC with respect to such holder for all succeeding years during which such holder holds Class A ordinary shares, even if we ceased to meet the threshold requirements for PFIC status.

If we were a PFIC for any taxable year and any of our subsidiaries or other companies in which we owned or were treated as owning equity interests were also a PFIC (any such entity, a “Lower-tier PFIC”), a U.S. Holder would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions to us by a Lower-tier PFIC and (ii) our disposition of shares of Lower-tier PFICs, in each case as if such holder held such shares directly, even though such holder may not have received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held Class A ordinary shares, absent making certain elections (as described below), such holder would generally be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of the Class A ordinary shares by such U.S. Holder would be allocated ratably over such U.S. Holder's holding period for the Class A ordinary shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as applicable, and an interest charge would be imposed on the resulting tax liability. Further, to the extent any distribution in respect of our Class A ordinary shares exceeded 125% of the average of the annual distributions on Class A ordinary shares received by the U.S. Holder during the preceding three years or its holding period, whichever was shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above.

Alternatively, if we were a PFIC and if the Class A ordinary shares were "regularly traded" on a "qualified exchange," a U.S. Holder would be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described above. The Class A ordinary shares would be treated as "regularly traded" for any calendar year if more than a de minimis quantity of the Class A ordinary shares, as applicable, were traded on a qualified exchange on at least 15 days during each calendar quarter of such calendar year. The NYSE, on which the Class A ordinary shares are listed, is a qualified exchange for this purpose. A non-U.S. exchange is a "qualified exchange" if it is regulated by a governmental authority in the jurisdiction in which the exchange is located and with respect to which certain other requirements are met. The Internal Revenue Service has not identified specific non-U.S. exchanges that are "qualified" for this purpose. Once made, the election cannot be revoked without the consent of the IRS unless the Class A ordinary shares, if applicable, cease to be marketable.

If a U.S. Holder makes the mark-to-market election such holder will generally recognize as ordinary income any excess of the fair market value of such holder's Class A ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Class A ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, such holder's tax basis in their Class A ordinary shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Class A ordinary shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). This election will not apply to any of our non-U.S. subsidiaries. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any Lower-tier PFICs notwithstanding a mark-to-market election for the Class A ordinary shares.

We do not intend to prepare or provide the information necessary for a U.S. Holder to make a qualified electing fund election.

In addition, if we were a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the favorable tax rates applicable to long-term capital gains discussed above with respect to dividends paid to non-corporate U.S. Holders would not apply.

If a U.S. Holder owns Class A ordinary shares during any year in which we are a PFIC, such holder must generally file annual reports containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us, generally with such holder's federal income tax return for that year. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of the U.S. Holder's taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. Holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

U.S. Holders should consult their tax advisors regarding the potential application of the PFIC rules, including whether the elections discussed above would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that the U.S. Holder is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to the U.S. Holder will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and certain entities) may be required to report information on their U.S. federal income tax returns relating to an interest in our Class A ordinary shares, subject to certain exceptions (including an exception for Class A ordinary shares held in accounts maintained by certain U.S. financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Class A ordinary shares.

Brazilian Tax Considerations

The following summary contains a description of certain Brazilian tax considerations relating to the acquisition, ownership and disposition of our Class A ordinary shares by an investor that is not domiciled or resident in Brazil for Brazilian tax purposes, each a Non-Resident Holder.

The following is a general discussion and, therefore, it does not specifically address all of the tax considerations that may be relevant to a Non-Resident Holder's decision to owning or disposing our Class A ordinary shares and it is not applicable to all categories of Non-Resident Holders, some of which may be subject to special tax rules not specifically addressed herein. This summary also does not address any tax consequences under the tax laws of any state or municipality of Brazil. The present description is based upon the tax laws of Brazil, in effect as of the date of this annual report, which are subject to change, possibly with retroactive effect and to differing interpretations. Any change in the applicable Brazilian laws and regulations may impact the consequences described below.

The tax consequences described below do not take into account tax treaties entered into by Brazil and other countries. Prospective purchasers of our shares shall consult their own tax advisors with respect to an investment in our shares in light of their particular circumstances.

Low or Nil Tax Jurisdictions

According to Law No 9,430, dated December 27, 1996, as amended, a Low or Nil Tax Jurisdiction is a country or location that (i) does not impose taxation on income, (ii) imposes income tax at a rate lower than 17%, or (iii) imposes restrictions on the disclosure of shareholding composition or investment ownership.

On June 24, 2008, Law No. 11,727 introduced the concept of a “privileged tax regime,” in connection with transactions subject to Brazilian transfer pricing rules and also applicable to thin capitalization/cross-border interest deductibility rules, which is broader than the concept of a Low or Nil Tax Jurisdiction. Pursuant to Law 11,727, and recent changes arising from the Law No. 14,596, dated June 14, 2023, a jurisdiction will be considered a Privileged Tax Regime if it (i) does not tax income or taxes it at a maximum rate lower than 17.0% (ii) grants tax benefits to non-resident entities or individuals (a) without the requirement that they carry out substantial economic activity in the country or dependency or (b) contingent on the non-exercise of substantial economic activity in the country or dependency; (iii) does not tax or that taxes income generated abroad at a maximum rate lower than 17.0%r (iv) does not provide access to information related to shareholding composition, ownership of assets and rights or economic transactions carried out.

On June 4, 2010, the Brazilian Tax Authorities enacted Normative Ruling No. 1,037, as amended, listing (i) the countries and jurisdictions considered as Low or Nil Tax Jurisdictions and (ii) the locations considered Privileged Tax Regimes. Normative Ruling No. 1,037 has not been amended thus far to reflect the threshold changes previously mentioned.

Although, we believe that the best interpretation of Law No. 11,727/08 and Law 14,596 to be that the new concept of “privileged tax regime” would be applicable solely for purposes of transfer pricing and thin capitalization rules. However, we are unable to ascertain whether or not the privileged tax regime concept will be extended to the concept of Low or Nil Tax Jurisdiction, though the Brazilian tax authorities appear to agree with our position, in view of the provisions introduced by Normative Ruling No. 1,037, dated as of June 4, 2010, as amended, which presents two different lists (Low or Nil Tax Jurisdictions-taking into account the non-transparency rules-and privileged tax regimes).

Notwithstanding the above, we recommend that you consult your own tax advisors regarding the consequences of the implementation of Law No. 11,727, Normative Ruling No. 1,037 and of any related Brazilian tax law or regulation concerning Low or Nil Tax Jurisdictions or “privileged tax regimes.”

Law 14,596 introduced new concepts and practices for the governance of transfer pricing, aligned with OECD's guidelines, and. the Brazilian Tax Authorities have been issuing relevant rulings. Compliance with such transfer pricing framework may impact Nu's tax liabilities.

Brazil has recently adopted Pillar II rules, specifically the Qualified Domestic Minimum Top-up Tax (QDMTT), through the enactment of Law No. 15,079/2024 in December 2024, which came into effect on January 1, 2025. The QDMTT establishes that a minimum corporate income tax rate of 15% must be paid in each jurisdiction where multinational groups operate.



We do not anticipate that Brazilian Pillar II will impact the Nu's overall tax burden as all operational entities are subject to statutory corporate tax rates of at least 30%. Additionally, there are no Pillar II-related impacts for other companies consolidated under Nu Holdings, as the jurisdictions where these entities are domiciled—Cayman, Mexico, Colombia, Uruguay, and the United States—have not yet adopted Pillar II.

Income Tax

Dividends and Income Tax Reform

Dividends arising from our Class A ordinary shares and paid by us should not be subject to taxation in Brazil when paid in favor of a Non-Resident Holder.

There is an ongoing public political discussion in Brazil that may result in certain income tax rules being revamped, including but not limited to the imposition of withholding income taxes over dividends. Thus, there can be no assurance that the current tax exemption on dividends distributed by Brazilian companies will continue in the future. In any case, any potential taxation being imposed upon dividends would become effective only in the year following the enactment of the relevant law.

Interest on Shareholders' Equity

Law No. 9,249, dated December 26, 1995, as amended, allows a Brazilian corporation, such as our subsidiaries in Brazil, to make distributions to shareholders of interest on shareholders' equity as an alternative to carrying out dividends distributions and to treat those payments as a deductible expense for purposes of calculating Brazilian corporate income tax and social contribution on net profits provided that the limits described below are observed.

For tax purposes, this interest is limited to the daily pro rata variation of the Brazilian long-term interest rate, or "TJLP," as determined by the Central Bank of Brazil from time to time, and the amount of the deduction may not exceed the greater of:

- 50% of net profits (after deduction of social contribution on net profits before taking into account the provision for corporate income tax and the amounts attributable to shareholders as interest on net equity) for the period in respect to which the payment is made; or
- 50% of the sum of retained profits and profit reserves as of the year date of the beginning of the period in respect of which the payment is made.

We cannot guarantee that the Brazilian federal government will not increase the WHT on interest on shareholders' equity in the future or eliminate the interest on shareholders' equity altogether.

VAT Tax Reform

On January 16, 2025, Complementary Law 214 (LC 214/25) was enacted to implement a reform in value-added taxes in Brazil, bringing significant changes on taxation of consumption.

The underlying principle of the LC 214/25 is to avoid any increases in the consolidated tax burden resulting from the current Brazilian value added taxes, that is, Contribution to Social Integration Program (PIS), Contribution for Social Security Financing (Cofins), Industrialized Products Tax (IPI), Tax on the Circulation of Goods and Services (ICMS) and Tax on Services (ISS).



Such taxes will be gradually replaced by two new ones: the Contribution on Goods and Services (CBS) and by Tax on Goods and Services (IBS). CBS and IBS will be charged starting on January 1, 2027, whereas ISS will be gradually repealed between 2027 and 2033.

Nubank entities will be subject to CBS and IBS under a special regime applicable to financial institutions. As the rates of these taxes are yet to be determined by the Government, it is to early to anticipate if and how Nubank will be impacted.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. You may inspect and copy the reports and other information to be filed with the SEC at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of the materials may be obtained from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The public may obtain information on the operation of the SEC’s Public Reference Room by calling the SEC in the United States at 1-800-SEC-0330. In addition, the SEC maintains an internet website at <http://www.sec.gov>, from which you can electronically access this annual report and the registration statement of which it forms a part and its materials.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to different risks arising from our activities. Our risk monitoring adapts as new risks and threats emerge.

Market Risk

Market risk is the possibility of losses arising from changes in the market values of financial instruments, including the risk of changes in interest rates and stock prices for instruments classified in the trading book and the risk of changes in exchange rates and commodity prices for instruments classified in the trading book or banking book.

The interest rate of the banking book, or “IRRBB,” is the risk, current or prospective, of the impact of adverse interest rate movements on our capital and earnings, for instruments classified in the banking book.

The business areas, in the first line of defense, are responsible for managing market and IRRBB risks. There is a market and IRRBB risk control structure, independent of the business units (second line of defense), which is responsible for the processes and tools for measuring, monitoring, controlling and reporting market risk and IRRBB, continuously checking adherence to approved policies and limits.

All trades are classified into two books: the banking book and the trading book. We have a specific policy with criteria for classifying financial instruments in these two books. The trading book comprises instruments, including derivatives, held for trading purposes. The banking book is made up of other financial instruments.

Market and IRRBB risk management is based on metrics that are reported to the Asset Liability Management, or “ALM” the Capital Technical Forum, the Global Executive Risk Committee, and to the Audit and Risk Committee depending on the materiality.

Management is authorized to use financial instruments, as described in our internal policies for hedging market risk and exposures to IRRBB, based on the metrics and limits established and approved in accordance with our risk appetite statement, or “RAS.” Additionally, hedge accounting may or may not be used, in accordance with our internal policies, to align accounting treatment with management practice.

Our main market risk factors are interest rate risk and exchange rate risk of our activities in Brazil, where our main operations are located.

Interest Rate Risk

Interest rate risk arises from our daily activities: credit card, personal loans, cash management and sources of funding. This risk is mitigated with our use of derivative instruments.

The tables below show the sensitivities in the fair values of the financial instruments (assets, liabilities and derivatives), in two different scenarios:

1) A standard +1bp (0.01% p.a.) shock in each curve that we have exposure (BRL, COL and MXN risk free rate, BRL inflation rate, USD risk free rate). These shocks are known as DV01 sensitivities.

2) a specific shock for each one of the curves:

- +253bp (2.53% p.y.) in the BRL inflation rate;
- +200bp (2% p.y.) in the USD risk free rate;
- +400bp (4% p.y.) in the BRL risk free rate, MXN risk free rate and COL risk free rate.

Those shocks are standardized shocks defined by the BIS for the IRRBB (interest rate risk in the banking book), except for the BRL inflation rate, which was calculated based multiplying the BRL risk free rate shock (400bp) by the 1% percentile of the 5 year historical distribution of the daily relation between BRL inflation rates and BRL risk free rate.



Financial instruments have their fair values calculated under current conditions and also in each one of the two scenarios described. The sensitivity value is the difference between the fair value in each scenario and the fair value under normal market conditions. Positive values represent gains and negative values represent losses in fair values.

The sensitivity analysis as of December 31, 2024 are set forth below:

Sensitivities to 1 bp (0.01%) Shocks – Brazilian risk free curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(34)	(35)	0	2	0	0	0	(67)
7 Months to 12 Months	(15)	(74)	(12)	0	0	0	1	(100)
1 year to 2 years	(3)	(77)	(16)	(2)	0	0	2	(96)
2 years to 3 years	0	(43)	(4)	4	0	0	0	(43)
3 years to 4 years	0	(40)	0	0	0	0	0	(40)
4 years to 5 years	0	(10)	0	(2)	0	0	0	(12)
More than 5 Years	0	(7)	0	2	0	0	0	(5)
Total	(52)	(286)	(32)	4	0	0	3	(363)

Sensitivities to 400 bps (4%) shocks – Brazilian risk free curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(13,600)	(14,000)	0	800	0	0	0	(26,800)
7 Months to 12 Months	(6,000)	(29,600)	(4,800)	0	0	0	400	(40,000)
1 year to 2 years	(1,200)	(30,800)	(6,400)	(800)	0	0	800	(38,400)
2 years to 3 years	0	(17,200)	(1,600)	1,600	0	0	0	(17,200)
3 years to 4 years	0	(16,000)	0	0	0	0	0	(16,000)
4 years to 5 years	0	(4,000)	0	(800)	0	0	0	(4,800)
More than 5 Years	0	(2,800)	0	800	0	0	0	(2,000)
Total	(20,800)	(114,400)	(12,800)	1,600	0	0	1,200	(145,200)

Sensitivities to 1 bp (0.01%) Shocks – Brazilian IPCA coupon curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	0	0	0	1	0	0	0	1
7 Months to 12 Months	0	0	0	0	0	0	0	0
1 year to 2 years	0	0	0	0	0	0	0	0
2 years to 3 years	0	0	0	0	0	0	0	0
3 years to 4 years	0	0	0	0	0	0	0	0
4 years to 5 years	0	0	0	0	0	0	0	0
More than 5 Years	0	0	0	0	0	0	0	0
Total	0	0	0	1	0	0	0	1

Sensitivities to 253 bp (2.53%) Shocks – Brazilian IPCA coupon curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	0	0	0	253	0	0	0	253
7 Months to 12 Months	0	0	0	0	0	0	0	0
1 year to 2 years	0	0	0	0	0	0	0	0
2 years to 3 years	0	0	0	0	0	0	0	0
3 years to 4 years	0	0	0	0	0	0	0	0
4 years to 5 years	0	0	0	0	0	0	0	0
More than 5 Years	0	0	0	0	0	0	0	0
Total	0	0	0	253	0	0	0	253

Sensitivities to 1 bp (0.01%) Shocks – Mexican risk free curve

Tenor	Credit Card	Cash & Cash Equivalents	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(9)	(0)	(30)	5	23	0	0	(11)
7 Months to 12 Months	(2)	0	0	0	0	0	0	(2)
1 year to 2 years	(0)	0	0	0	0	0	0	(0)
2 years to 3 years	(0)	0	0	0	0	0	0	(0)
3 years to 4 years	0	0	0	0	0	0	0	0
4 years to 5 years	0	0	0	0	0	0	0	0
More than 5 Years	0	0	0	0	0	0	0	0
Total	(12)	(0)	(30)	5	23	0	0	(14)



Sensitivities to 400 bp (4%) Shocks – Mexican risk free curve

Tenor	Credit Card	Cash & Cash Equivalents	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(3,788)	(128)	(11,840)	2,000	9,220	0	0	(4,536)
7 Months to 12 Months	(856)	0	0	0	0	0	0	(856)
1 year to 2 years	(172)	0	0	0	0	0	0	(172)
2 years to 3 years	(8)	0	0	0	0	0	0	(8)
3 years to 4 years	0	0	0	0	0	0	0	0
4 years to 5 years	0	0	0	0	0	0	0	0
More than 5 Years	0	0	0	0	0	0	0	0
Total	(4,824)	(128)	(11,840)	2,000	9,220	0	0	(5,572)

Sensitivities (thousands of USD) to 1bp (0.01%) shocks - Colombia risk free curve

Tenor	Credit Card	Cash & Cash Equivalents	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(4)							(4)
7 Months to 12 Months	(6)		(4)					(10)
1 year to 2 years	(10)		(16)					(26)
2 years to 3 years	(4)		(10)					(14)
3 years to 4 years	(0)							(0)
4 years to 5 years								0
More than 5 Years								0
Total	(23)	0	(30)	0	0	0	0	(53)



Sensitivities (thousands of USD) to 400bp (4%) shocks - Colombia risk free curve

Tenor	Credit Card	Cash & Cash Equivalents	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	(1,708)	0	0	0	0	0	0	(1,708)
7 Months to 12 Months	(2,220)	0	(1,636)	0	0	0	0	(3,856)
1 year to 2 years	(3,876)	0	(6,376)	0	0	0	0	(10,252)
2 years to 3 years	(1,404)	0	(4,136)	0	0	0	0	(5,540)
3 years to 4 years	(16)	0	0	0	0	0	0	(16)
4 years to 5 years	0	0	0	0	0	0	0	0
More than 5 Years	0	0	0	0	0	0	0	0
Total	(9,224)	0	(12,148)	0	0	0	0	(21,372)

Sensitivities to 1 bp (0.01%) Shocks – US risk free curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	Corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	0	0	(0)	(8)	0	0	(5)	(13)
7 Months to 12 Months	0	0	(3)	0	0	0	(21)	(24)
1 year to 2 years	0	0	(11)	0	0	0	(42)	(52)
2 years to 3 years	0	0	(14)	0	0	0	(26)	(40)
3 years to 4 years	0	0	(6)	0	0	0	(8)	(13)
4 years to 5 years	0	0	(2)	0	0	0	(4)	(6)
More than 5 Years	0	0	0	0	0	0	(5)	(5)
Total	0	0	(36)	(8)	0	0	(110)	(154)



Sensitivities to 200 bp (2%) Shocks – US risk free curve

Tenor	Credit Card	Loans	Sov. Bonds	Derivatives	Debt Instruments	Instruments eligible to capital	corporate bonds	Total
	(in US\$ thousands)							
0 to 6 Months	0	0	(41)	(1,699)	0	0	(957)	(2,697)
7 Months to 12 Months	0	0	(584)	0	0	0	(4,187)	(4,771)
1 year to 2 years	0	0	(2,169)	0	0	0	(8,303)	(10,472)
2 years to 3 years	0	0	(2,896)	0	0	0	(5,137)	(8,032)
3 years to 4 years	0	0	(1,102)	0	0	0	(1,548)	(2,650)
4 years to 5 years	0	0	(444)	0	0	0	(793)	(1,237)
More than 5 Years	0	0	0	0	0	0	(990)	(990)
Total	0	0	(7,236)	(1,699)	0	0	(21,915)	(30,849)

Foreign Exchange Rate Risk

Our functional currency is the U.S. dollar. The functional currency of our subsidiaries is generally the currency of the country in which they are located. As of December 31, 2024 none of the entities in our corporate structure had significant financial exposures in a currency other than their respective functional currencies.

We decided not to hedge our foreign exchange exposure originated by our investments in Brazil, Colombia and Mexico. As a result, our financial statements may present significant gains or losses in other comprehensive income due to translation of the financial statements of the subsidiaries due to the relevance of these operations compared to our own operations.

The table below shows possible impacts on the value of these investments. It considers a shock of 33.5% in the U.S. dollar/Brazilian *reais* exchange rate. This shock was calculated using the 90th percentile of the distribution of annual returns, considering a five year window. For other exchange rates, a 10% standardized shock was used.

Subsidiary	Country	Net Equity		
		As of December 31, 2024	Shock (%)	Change (USD)
		(in US\$ thousands)	(In percentage)	(in US\$ thousands)
Nu México	Mexico	505,652	10%	50,565
Nu Colombia	Colombia	242,903	10%	24,290
Nu Tecnologia	Uruguay	2,969	10%	297
Nuplat	Uruguay	2,488	10%	249
Nu Uruguay Investments	Uruguay	90,087	10%	9,009
Cognitect (NuNA)	US	194,533	10%	19,453
Olivia IP	Brazil	1,450	34%	486
FIP	Brazil	4,242,592	34%	1,421,268
Total		5,282,784		1,525,628

The major foreign exchange exposure is originated by our investments in the Brazilian subsidiaries, presented above as FIP – Brazil. Our Brazilian subsidiaries have operating costs in Brazilian reais, U.S. dollars and in Euros. The costs incurred in reais are not hedged by the subsidiaries nor by Nu Holdings. However, certain costs in other currencies, e.g. U.S. dollars and Euros, or intercompany loans in U.S. dollars may be hedged by our Brazilian subsidiaries with futures contracts, traded on the B3 exchange, at the beginning of each fiscal year, based on the then-existing projections of these costs, or when there is new exposure. Hedge transactions are unwound as costs and loans are paid, and recalibrated when our internal cost projections change. As a result, the financial statements of our subsidiaries have minor exposures to currencies different to their functional currencies after taking effect of the hedge transactions.

Credit Risk

We define credit risk mainly, as:

- The possibility of losses associated with the failure by a counterparty to meet contractual obligations in a financial transaction, including but not limited to derivative financial instruments;
- The possibility of losses associated with the failure of a signatory to loan operations to meet the financial obligations under the contractually agreed terms;
- The possibility of depreciation or reduction in financial instruments expected earnings due to observed credit quality deterioration of a signatory to loan operations; and
- The possibility of incurring any recovery cost related to the credit quality deterioration of a loan signatory or counterparty, such as disbursement to honor warranties, co-obligations and credit commitments or any forbearance cost of a financial instrument.

Our credit management structure is independent from the business units and provides processes and tools to identify, quantify, control, monitor and report the credit risk from all products, continuously verifying their adherence to the approved policies and risk appetite structure. Our credit risk management also assesses and monitors the impacts of potential changes in the economic environment in our credit portfolio to ensure that it is resilient to economic downturns.

We believe that our credit decision-making complies with our high governance standards, as decisions are taken and approved according to their size and credit risk profile. Credit decisions approvals take place in committees, technical forums, and the designated decision forums, with the involvement of the first and second lines of defense. For the decision-making process, information arising from historical performance is presented and discussed using predictive models that analyze and score existing and potential customers based on their profitability and credit risk profile.

We use customers’ internal information, statistical models, external data, and other quantitative analyses to determine the risk profile of each customer in the portfolio. The information collected is used to manage the portfolio credit risk and to measure expected credit loss with periodical assessment of changes in the provision amounts. For more information on our methodology to measure credit allowances, see note 4 to our audited consolidated financial statements.

Regarding past due customers, their payment behavior is continuously tracked and monitored in order to improve policies and approaches to collect debt. Our collection strategies and policies depend on customer profiles and model scores and they aim to maximize the recovery amounts.

Liquidity Risk

We define liquidity risk as the possibility that we will not be able to:

- efficiently meet our expected and unexpected, current and future obligations without affecting our daily operations and without incurring significant losses;
- negotiate a position at market price, due to its large size in relation to the volume normally transacted or due to some discontinuity in the market.

Liquidity Risk is managed by the business areas in the first line of defense. The Market and Liquidity Risk area is independent from the business areas and is responsible for controlling liquidity risk, through the calculation and daily reporting of the metrics used to the business areas, as well as the assessment of the limits established for these metrics, in line with our risk appetite. Metrics are also reported to the Asset Liability Management and Capital Technical Forum, the Global Executive Risk Committee, and to the Audit and Risk Committee. The Audit and Risk Committee is responsible for defining the Liquidity Risk appetite.

The liquidity risk management framework uses data from future cash flows, applying a severe stress scenario to these cash flows, in order to ensure that the volume of high quality liquid assets we hold is sufficient to guarantee our resilience even in very adverse situations.

We have a Liquidity Contingency Plan, or “LCP,” which establishes responsibilities, procedures and action plans to face situations of liquidity crisis. The action plans described in the LCP are aimed at restoring liquidity indicators to adequate levels.

Operational Risk

We define operational risk as the possibility of losses resulting from external events or failure, weakness or inadequacy of internal processes, people, or systems. It includes legal risk associated with the lack or deficiency in contracts, our failure to comply with applicable legal provisions and indemnities for damages to third parties arising from our activities.

We have an operational risk and internal controls structure, which is responsible for the identification and assessment of operational risks, as well as the evaluation of the design and effectiveness of our internal controls structure. This structure is also responsible for the preparation and periodic testing of our business continuity plan and for coordinating the risk assessment in new product launches and significant changes in existing processes.

As part of our first line of defense and within our risk management process, each business area has mechanisms for identifying, measuring, evaluating, monitoring, and reporting operational risk events, as well as disseminating the control culture to other collaborators internally. Material risk assessments are presented to our operational risk and internal controls technical forum, as well as to our Global Executive Risk Committee, and to the Audit and Risk Committee. Applicable improvement recommendations are expected to become action plans including deadlines and responsibilities. Our first line of defense teams have the main responsibility for the development and implementation of controls to mitigate operational risks.

Information Technology Risk

We define Information Technology Risk, or IT risk, as the potential adverse effects arising from a variety of threats targeting our IT infrastructure. These threats encompass cybersecurity threats, data management issues, underperformance of our infrastructure, among others. Operating within a dynamic and challenging cyber threat landscape, we are committed to proactively investing in advanced controls and innovative technologies to safeguard against these risks.

Recognizing the critical nature of IT risks, including cybersecurity, we have instituted a dedicated IT risk management team, which functions as part of our second line of defense. This team operates independently from other IT-related functions to maintain objectivity and enhance oversight. The IT risk team is tasked with the identification, assessment, measurement, monitoring, control, and reporting of IT risks, all aligned with the risk appetite levels set and approved by our Board of Directors. For more information on our cybersecurity risk management efforts, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Intellectual Property, Privacy and Cybersecurity— Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation,” “Item 4. Information on the Company—Business Overview—Cybersecurity Efforts,” and “Item 16K. Cybersecurity—Cybersecurity Risk Management.”

We continuously evaluate our exposure to risks and their potential impact on our business operations and customer base. Our ongoing efforts focus on enhancing our IT and cybersecurity capabilities and strengthening control measures. Additionally, we emphasize cultivating awareness among our employees and third-party partners regarding preventative strategies and incident reporting protocols. People are an integral component of our security framework, and their active participation is vital to our defensive strategy.

The outcomes of our IT risk evaluations and control assessments are routinely deliberated in our Non Financial Risk Technical Forum that takes place every two months, with findings and recommendations presented to the Global Executive Risk Committee and, reported to our Audit and Risk Committee. We ensure that any identified areas for improvement are translated into actionable plans with clearly defined deadlines and responsibilities to drive accountability and progress.



Capital Management

The purpose of capital management is to estimate and monitor our capital requirements based on our growth projections, risk exposure and tolerance levels, market movements and other relevant information, considering both regulatory requirements and our capital risk tolerance levels. Also, our capital management structure is responsible for identifying sources of capital, designing and submitting for approval our capital plans, as well as tracking the regulatory capital ratios across our regulated entities.

At the executive level, our ALM technical forum is responsible for approving risk assessment and capital calculation methodologies, as well as reviewing, monitoring, and recommending capital-related action plans to the Global Executive Risk Committee and to our Audit and Risk Committee.

Regulatory Capital

Nu Pagamentos, our 100%-owned indirect subsidiary organized in Brazil, is regulated and authorized to operate by the Central Bank of Brazil.

Nu Pagamentos Prudential Conglomerate

As a regulated payment institution, the subsidiary Nu Pagamentos, together with its consolidated subsidiaries, or collectively the “Nu Pagamentos Prudential Conglomerate” is required to comply with the capital requirements set forth on Brazilian Central Bank Resolutions 197, 198, 199, 200, 201 and 202 for conglomerates type 3 (Payment Institution-led). The minimum capital adequacy ratio required for this type of institution (capital adequacy ratio or “CAR”) in 2024 is 8.75% of their total risk weighted assets or “RWAs”.

As of December 31, 2024, the capital position of the Nu Pagamentos Prudential Conglomerate was of US\$ 3.6 billion (R\$ 22.4 billion), resulting in a CAR of 18.1%, significantly higher than its requirement of 8.75%.

Nu Mexico Financiera

In September 2021, Nu acquired Nu Mexico Financiera, S.A. de C.V., S.F.P., formerly Akala, S.A. de C.V., or “Akala,” a Sofipo regulated by the CNBV. The regulatory capital requirements for this entity are defined by the NICAP metric (capitalization level or “nivel de capitalización”) set by the CNBV, which is comparable to the Basel Ratio methodology.

In December 2022, Nu Mexico Financiera received the formal approval from the CNBV to execute the migration of its credit card portfolio. A capital injection of over US\$600 million was made in the regulated entity along with the credit card portfolio migration to support the transferred Risk Weighted Assets, or “RWA.” The whole Mexican operation was executed henceforth in the regulated entity.

As of December 31, 2024, the regulatory capital for Nu Mexico Financiera was equivalent to US\$289 million, resulting in a capital ratio of 19.2%, with 10.5% being the minimum required.

Nu Colombia

Nu Colombia requested the *licencia de compañía de financiamiento*, a license from the SFC (*Superintendencia Financiera de Colombia*) which allows it to offer several consumer credit and deposit products. In August 2022, the SFC granted the incorporation license for Nu Colombia Compañía de Financiamiento S.A. (Nu CF), and by the end of October 2022 the incorporation was completed. In January 2024 Nu CF obtained the operational license and started its operation in March 2024. Nu CF is required to comply with the capital ratio defined in the solvency margin law or *Ley de margen de solvencia* on a monthly basis.



In November 2024, a merger occurred between Nu SA and Nu CF. Prior to the merger, Nu SA managed the entire credit card portfolio, while Nu CF oversaw the savings account portfolio. Following the merger, Nu CF became the sole prevailing entity, absorbing the assets, liabilities and capital of Nu SA.

As of December 31, 2024, the regulatory capital for Nu Compañía de Financiamiento was equivalent to US\$185 million, resulting in a capital ratio of 22.6%, with 10.5% being the minimum required.

Managerial Capital Ratios

In addition to complying with the minimum capital requirements of the different jurisdictions in which we operate, we also aim to maintain a significant balance of cash at Nu Holdings, a balance that we may potentially use to capitalize any of our subsidiaries, if and when needed. As such, for managerial purposes, we consider the cash that we have at Nu Holdings as part of our managerial regulatory capital.

The combined minimum capital requirement for Nu Pagamentos Conglomerate, Nu Mexico Financiera and Nu Compañía de Financiamiento was equivalent to approximately US\$2.0 billion as of December 31, 2024. Our managerial regulatory capital, including (i) the capital position we had at the level of our regulated entities plus our cash position at Nu Holdings amounted to a capital position of approximately US\$6.3 billion as of December 31, 2024. This managerial capital base was equivalent to approximately 3.15x of our minimum required capital.

For additional information regarding the capital requirements to which we are subject under Central Bank Resolution 200/22, as amended, see “Item 4. Information on the Company—B. Business Overview—Regulatory Overview—Brazil—Other Rules—Prudential Framework and Limits of Exposure.”

Item 12. Description of Securities Other Than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

A. Defaults

No matters to report.

B. Arrears and Delinquencies

No matters to report.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

A. Material Modifications to Instruments

Not applicable.

B. Material Modifications to Rights

Not applicable.

C. Withdrawal or Substitution of Assets

Not applicable.

D. Change in Trustees or Paying Agents

Not applicable.

E. Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2024. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that the information we are required to disclose in the reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (2) accumulated and communicated to our management to allow timely decisions regarding required disclosures.

B. Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making its assessment of internal control over financial reporting, management used the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, our management has concluded that our internal control over financial reporting was effective as of December 31, 2024.

Additionally, as stated in its report, our internal control over financial reporting as of December 31, 2024 has been audited by KPMG Auditores Independentes Ltda, an independent registered public accounting firm.

C. Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, KPMG Auditores Independentes Ltda., has audited the effectiveness of our internal control over financial reporting, as stated in their report as of December 31, 2024, which is included herein.

D. Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. Audit Committee Financial Expert

Our board of directors has determined that Rogério Paulo Calderón Peres is an audit committee financial expert, as that term is defined by the SEC, and he meets the requirements for independence under the listing standards of the NYSE and SEC rules and regulations.

ITEM 16B. Code of Ethics

We have adopted a Code of Conduct and a Whistleblower Policy that apply to all of our employees, interns, as well as our officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Code of Conduct is currently posted on the investor relations website (www.investors.nu). Information contained on, or that can be accessed through, our website is not part of, or incorporated by reference into, this 20-F, and inclusions of our website address in this 20-F are inactive textual references provided only for your informational reference.



Our Code of Conduct is designed to prevent misconduct and to promote: (i) honest and ethical conduct, including addressing real or perceived conflicts of interest between and professional relationships; (ii) transparent and fair experience and results for our clients and the markets in which we operate; (iii) complete, fair, accurate, timely and understandable disclosure in reports and documents that we file or submit to government authorities and regulatory bodies (including, but not limited to, the relevant central banks and securities and exchange commissions) and in other public communications that we make; (iv) compliance with applicable laws, rules and regulations; (v) the prompt internal reporting of violations of the Code of Conduct through the Whistleblowing Channel and (vi) accountability for noncompliance with the Code of Conduct.

Our Global Whistleblower Policy was developed as a complement to the Code of Conduct in order to (i) provide guidelines regarding the whistleblower channel, under the Integrity Program; (ii) encourage the prompt reporting of any suspected violation; (iii) undertake to investigate any good faith report of violations; and (iv) inform our employees, directors, independent directors, apprentices, interns, officers and interested parties about their right to report.

We have adopted a Corporate Governance Policy, Insider Trading Policy, Environmental, Social and Governance Policy, Privacy Policy, Disclosure Policy, Compensation Clawback Policy and Pre-Approval Policies and Procedures for Audit and Non-Audit Services, that apply to all of our employees, officers and directors and posted the full text of such policies on the governance section of our website, www.investidores.nu/en/. Information contained on, or that can be accessed through, our website is not part of, or incorporated by reference into, this 20-F, and inclusions of our website address in this 20-F are inactive textual references provided only for your informational reference. We intend to disclose future amendments to our policies on our website or in public filings. The information on our website is not incorporated by reference into this annual report on Form 20-F, and you should not consider information contained on our website to be a part of this annual report on Form 20-F.

ITEM 16C. Principal Accountant Fees and Services

The following table sets forth the fees billed to us by our independent registered public accounting firm during the years ended December 31, 2024 and 2023. Our independent registered public accounting firm was KPMG Auditores Independentes Ltda. (“KPMG”) for the years ended December 31, 2024 and 2023.

	2024	2023
	(in thousands of dollars)	
Audit fees	1,928.3	1,749.8
Audit-related fees	48.6	58.5
Tax fees	5.2	15.5
All other fees	6.5	11.4
Total	1,988.6	1,835.2

Audit Fees

Audit fees are fees billed for professional services rendered by the principal accountant for the audit of the registrant’s annual combined financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. It includes the audit of our financial statements, interim reviews and other services that generally only the independent accountant reasonably can provide, such as comfort letters, statutory audits, consents and assistance and review of documents filed with the SEC.

Audit-Related Fees

Audit-related fees are fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported under the previous category. These services would include, among others: accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.

Tax Fees

Tax fees are fees billed for professional services for tax compliance, tax advice and tax planning.

All Other Fees

All other fees are fees billed for assurance services related to environmental, social and governance and sustainability assurance services.

Audit Committee Pre-Approval Policies and Procedures

In accordance with the requirements of the U.S. Sarbanes-Oxley Act of 2002 and rules issued by the SEC, we introduced a procedure for the review and pre-approval of any services performed by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services. The procedure requires that all proposed engagements of our independent registered public accounting firm for audit and permitted non-audit services are submitted for pre-approval of the Audit and Risk Committee.



Our Audit and Risk Committee Pre-Approval Policies and Procedures for Audit and Non-Audit Services is posted on the governance section of our website, www.investidores.nu/en/. We intend to disclose future amendments to our policy, on our website or in public filings. The information on our website is not incorporated by reference into this annual report on Form 20-F, and you should not consider information contained on our website to be a part of this annual report on Form 20-F.

ITEM 16D. Exemptions from the Listing Standards for Audit Committees

See “Item 16G. Corporate Governance—Foreign Private Issuer Status.”

ITEM 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 16F. Change in Registrant’s Certifying Accountant

None.

ITEM 16G. Corporate Governance

Foreign Private Issuer Status

NYSE listing rules include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards of the NYSE, except that we are required (a) to have an audit committee or audit board that meets certain requirements, pursuant to an exemption available to foreign private issuers; (b) to provide prompt certification by our chief executive officer of any material noncompliance with any corporate governance rules; and (c) to provide a brief description of the significant differences between our corporate governance practices and the NYSE corporate governance practices required to be followed by U.S. listed companies.

We currently follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of the NYSE in respect of the following:

- the majority independent director requirement under Section 303A.01 of the NYSE listing rules;
- the requirement under Section 303A.05 of the NYSE listing rules that a compensation committee composed solely of independent directors governed by a compensation committee charter oversee executive compensation;
- the requirement under Section 303A.04 of the NYSE listing rules that director nominees be selected or recommended for selection by either a majority of the independent directors or a nominations committee composed solely of independent directors;
- the requirement under Section 303A.08 of the NYSE listing rules that a listed issuer obtain shareholder approval when it establishes or materially amends a share option or purchase plan or other arrangement pursuant to which shares may be acquired by officers, directors, employees or consultants;
- the requirement under Section 312.03 of the NYSE listing rules that a listed issuer obtain shareholder approval prior to issuing or selling securities (or securities convertible into or exercisable for common or ordinary shares) that equal 20% or more of the issuer’s outstanding common or ordinary shares or voting power prior to such issuance or sale; and
- the requirement under Section 303A.03 of the NYSE listing rules that the independent directors have regularly scheduled meetings with only the independent directors present.

Cayman Islands law does not impose a requirement that the board consist of a majority of independent directors or that such independent directors meet regularly without other members present. Nor does Cayman Islands law impose specific requirements on the establishment of a compensation committee or nominating committee or nominating process.

Principal Differences between Cayman Islands and U.S. Corporate Law

The Companies Act was modeled originally on similar laws in England and Wales but does not follow subsequent statutory enactments in England and Wales. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Cayman Islands Company Law

We are a Cayman Islands exempted company incorporated with limited liability. We were incorporated as Nu Holdings Ltd. on February 26, 2016, subject to the Cayman Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Protection of Non-controlling Shareholders and Shareholders’ Suits

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of our shares in issue, appoint an inspector to examine our affairs and report thereon in a manner as the Grand Court shall direct.

Subject to the provisions of the Cayman Companies Act, any shareholder may petition the Grand Court which may make a winding-up order, if the court is of the opinion that this winding up is just and equitable.

Notwithstanding the U.S. securities laws and regulations that are applicable to us, general corporate claims against us by our shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our Memorandum and Articles of Association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against us, or derivative actions in our name, to challenge (1) an act which is ultra vires or illegal, (2) an act which constitutes a fraud against the minority and the wrongdoers themselves control us, and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

Exempted Company

We are an exempted company with limited liability under the Cayman Companies Act. The Cayman Companies Act distinguishes between ordinary resident companies and exempted companies. Where the proposed activities of a company are to be carried out mainly outside of the Cayman Islands, the registrant can apply for registration as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company’s register of shareholders is not open to inspection;

- an exempted company does not have to hold an annual general meeting;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company;
- an exempted company may register as a segregated portfolio company; and
- an exempted company may register as a special economic zone company.

We are subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Company Operations

An exempted company such as us must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

Share Capital

Under Cayman Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- paying distributions or dividends to members;
- paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- any manner provided in section 37 of the Cayman Companies Act;

- writing off the preliminary expenses of the company; and
- writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so by its articles of association, by special resolution reduce its share capital in any way.

Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company’s or a subsidiary’s shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm’s-length basis.

Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as canceled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either canceled or transferred pursuant to the Cayman Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company’s memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

Dividends and Distributions

Subject to a cash-flow solvency test, as prescribed in the Cayman Companies Act, and the provisions, if any, of the company’s memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company’s assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if they are not kept such books as are necessary to give a true and fair view of the state of the company’s affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (Revised) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company’s articles of association.

Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (As Revised) of the Cayman Islands.

Register of Directors and Officers

Pursuant to the Cayman Companies Act, a company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

Winding Up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members’ voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his or her appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. While a dissenting member has the right to express to the court his or her view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (that is, the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

The Cayman Islands Economic Substance Law

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (As Revised), or the “Cayman Economic Substance Act” together with related Guidance Notes and Regulations. We are required to comply with the economic substance requirements and file annual reports in the Cayman Islands as to whether or not they are carrying out such relevant activities and if they are, they must satisfy an economic substance test.

Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies.

For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company; and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be approved by the directors of each constituent company and filed with the Registrar of Companies together with a declaration: (1) as to the solvency of the consolidated or surviving company; (2) that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the constituent companies; (3) that no petition or other similar proceeding has been filed and remains outstanding and no order or resolution to wind up the company in any jurisdiction; (4) that no receiver, trustee, administrator or similar person has been appointed in any jurisdiction and is acting in respect of the constituent company, its affairs or property; (5) that no scheme, order, compromise or similar arrangement has been entered into or made in any jurisdiction with creditors; (6) that a list of the assets and liabilities of each constituent company; (7) that the non-surviving constituent company has retired from any fiduciary office held or will do so; (8) that the constituent company has complied with any requirements under the regulatory laws, where relevant; and (9) that an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and published in the Cayman Islands Gazette.

Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, may be determined by the Cayman Islands’ court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting or meetings convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the company is not proposing to act illegally or ultra vires and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a “fraud on the minority.”

When a takeover offer is made and accepted by holders of 90.0% in value of the shares affected within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction are thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which might otherwise ordinarily be available to dissenting shareholders of U.S. corporations and allow such dissenting shareholders to receive payment in cash for the judicially determined value of their shares.

Shareholders’ Suits

Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar. However, a class action suit could nonetheless be brought in a U.S. court pursuant to an alleged violation of U.S. securities laws and regulations.

In principle, we would normally be the proper plaintiff and as a general rule, while a derivative action may be initiated by a minority shareholder on behalf of our company in a Cayman Islands court, such shareholder will not be able to continue those proceedings without the permission of a Grand Court judge, who will only allow the action to continue if the shareholder can demonstrate that we have a good case against the defendant, and that it is proper for the shareholder to continue the action rather than our board of directors. Examples of circumstances in which derivative actions would be permitted to continue are where:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of its authority, could be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

Corporate Governance

Cayman Islands law restricts transactions between a company and its directors unless there are provisions in the articles of association which provide a mechanism to alleviate possible conflicts of interest. Additionally, Cayman Islands law imposes on directors’ duties of care and skill and fiduciary duties to the companies which they serve. Under our Memorandum and Articles of Association, a director must disclose the nature and extent of his interest in any contract or arrangement, and, subject to certain exceptions, a director may not vote or be counted in the quorum on any resolution of the board in respect of any contract or arrangement or proposal in which he or she or any of his or her close associates have a material interest. Following such disclosure, and subject to the foregoing sentence and subject to any separate requirement under applicable law or the listing rules of the NYSE, and unless disqualified by the chairman of the relevant meeting, the interested director may vote in respect of any transaction or arrangement in which he or she is interested. The interested director shall be counted in the quorum at such meeting and the resolution may be passed by a majority of the directors present at the meeting.

Subject to the foregoing and our Memorandum and Articles of Association, our directors may exercise all the powers of Nu to vote compensation to themselves or any member of their body in the absence of an independent quorum.

As a foreign private issuer, we are permitted to follow home country practice in lieu of certain NYSE corporate governance rules, subject to certain requirements. We currently rely, and will continue to rely, on the foreign private issuer exemption with respect to the following rules:

- Section 303A.04, which requires that a company have a nominations committee composed solely of “independent directors” as defined by NYSE. As allowed by the laws of the Cayman Islands, we do not have a nominations committee nor do we have any current intention to establish one.
- Section 303A.05, which requires that compensation for our executive officers and selection of our director nominees be determined by a majority of independent directors. As allowed by the laws of the Cayman Islands, we do not have a nomination and corporate governance committee nor do we have any current intention to establish one.
- Section 312.03, which requires an issuer to obtain shareholder approval prior to an issuance of securities (in certain circumstances) in connection with certain events, including: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees or consultants; (iii) a change of control; and (iv) private placements. Cayman Islands law does not require shareholder approval prior to an issuance of securities to the extent the securities are authorized.

Borrowing Powers

Our directors may exercise all the powers of Nu to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture shares, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of Nu or any third party. Such powers may be varied by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Indemnification of Directors and Executive Officers and Limitation of Liability

The Companies Act does not limit the extent to which a company’s articles of association may provide for indemnification of directors and officers, except to the extent that it may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association provide that we shall indemnify and hold harmless our directors and officers against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts incurred or sustained by such directors or officers, other than by reason of such person’s dishonesty, willful default or fraud, in or about the conduct of our company’s business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil, criminal or other proceedings concerning us or our affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors’ Fiduciary Duties

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Accordingly, directors owe fiduciary duties to their companies to act bona fide in what they consider to be the best interests of the company, to exercise their powers for the purposes for which they are conferred and not to place themselves in a position where there is a conflict between their personal interests and their duty to the company. Accordingly, a director owes a company a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so) and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third party.

However, this obligation may be varied by the company’s articles of association, which may permit a director to vote on a matter in which he has a personal interest provided that he has disclosed the nature of his interest to the board of directors. Our Memorandum and Articles of Association provide that a director must disclose the nature and extent of his or her interest in any contract or arrangement, and, subject to certain exceptions, a director may not vote or be counted in the quorum on any resolution of the board in respect of any contract or arrangement or proposal in which he or she or any of his or her close associates have a material interest. Following such disclosure, and subject to the foregoing sentence and subject to any separate requirement under applicable law or the listing rules of the NYSE, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience which he or she actually possesses.

A general notice may be given to the board of directors to the effect that (1) the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or (2) he or she is to be regarded as interested in any contract or arrangement which may after the date of the notice to the board of directors be made with a specified person who is connected with him or her, which will be deemed sufficient declaration of interest. This notice shall specify the nature of the interest in question. Following the disclosure being made pursuant to our Memorandum and Articles of Association and subject to any separate requirement under applicable law or the listing rules of the NYSE, and unless disqualified by the chairman of the relevant meeting, a director may vote in respect of any transaction or arrangement in which he or she is interested and may be counted in the quorum at the meeting.

In comparison, under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interests possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company’s articles of association. Our Memorandum and Articles of Association provide that, for so long as our founding shareholder controls a majority of the voting power of our shares, a general meeting of shareholders may be convened on the requisition of the holders of a majority of the voting power of our shares and, upon such requisition, the board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, if our founding shareholder controls less than a majority of the voting power of our shares, no shareholder shall have the power to requisition a meeting of shareholders. Our Memorandum and Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation’s certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder’s voting power with respect to electing such director. As permitted under Cayman Islands law, our Memorandum and Articles of Association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

The office of a director shall be vacated automatically if, among other things, he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his/her office be vacated.

Transaction with Interested Shareholders

The Delaware General Corporation Law provides that; unless the corporation has specifically elected not to be governed by this statute, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that this person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target’s outstanding voting shares or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation’s outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that the board of directors owe duties to ensure that these transactions are entered into bona fide in the best interests of the company and for a proper corporate purpose and, as noted above, a transaction may be subject to challenge if it has the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the board of directors it may be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company resolves by ordinary resolution that it be wound up because it is unable to pay its debts as they fall due. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Companies Act, we may be dissolved, liquidated or wound up by a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting). Our Memorandum and Articles of Association also give our board of directors authority to petition the Cayman Islands Court to wind up Nu.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, if the share capital is divided into more than one class of shares, the rights attached to any class may only be varied with the written consent of the holders of two-thirds of the shares of that class or the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Also, except with respect to share capital (as described above), alterations to our Memorandum and Articles of Association may only be made by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation’s certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under Cayman Islands law, our Memorandum and Articles of Association generally (and save for certain amendments to share capital described in this section) may only be amended by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

ITEM 16H. Mine Safety Disclosure

Not applicable.

ITEM 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

ITEM 16J. Insider Trading policies

We maintain insider trading policies and procedures governing the purchase, sale, and/or other dispositions of our Company’s securities by directors, officers, and employees that we believe are reasonably designed to promote compliance with insider trading laws, rules, and regulations, as well as the NYSE listing standards. A copy of our Insider Trading Policy is filed as Exhibit 11.1 to this annual report.

ITEM 16K. Cybersecurity

Cybersecurity Risk Management

Cybersecurity risk management is an integral part of our overall enterprise risk management program, counting on dedicated professionals from the first line of defense (Information Security department) and second line of defense (Risk Management department). We have a comprehensive and dedicated cybersecurity team which is responsible for maintaining and continually improving security together and in partnership with the appropriate departments, also counting on third-party security experts for risk assessment and system enhancements. Our cybersecurity team is responsible for assessing our cybersecurity risk management program, and having the support from the second and third lines of defense to ensure the program effectiveness, hence we currently do not engage third parties for such assessment. In addition, our cybersecurity team provides training to all employees annually. Our cybersecurity risk management program is designed to align with industry best practices and provide a framework for managing cybersecurity risks associated with the use of our products and services, internal applications and services provided by third-party service providers. This framework includes steps for identifying and assessing the severity of a cybersecurity threat, identifying the source of a cybersecurity threat including whether the cybersecurity threat is associated with a relevant third-party service provider, implementing cybersecurity countermeasures and mitigation strategies, and informing the management, our Audit and Risk Committee and our Board of Directors of material cybersecurity threats and incidents, following the materiality internally defined for these matters.

Our Board of Directors has overall oversight responsibility for our risk management, and oversees the Audit and Risk Committee, to which it delegates authority on cybersecurity risk management oversight. The Audit and Risk Committee is responsible for reviewing and following that the management has established proper processes to identify and evaluate cybersecurity risks to which we are exposed, guaranteeing that the management implements processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. The Audit and Risk Committee also reports frequently to the Board of Directors the matters assessed by it. The management is responsible for identifying potential cybersecurity risks exposures and material cybersecurity risks on an ongoing basis, proposing and guaranteeing the establishment of processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of our Chief Technology Officer, or CTO, who receives reports from the Vice President of Cybersecurity, and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents, maintaining the senior management properly informed. Our Vice President of Cybersecurity and dedicated personnel are certified and experienced information systems security professionals and information security managers. The senior management, including the Vice President of Cybersecurity and our cybersecurity teams, provides at least annually to the Audit and Risk Committee updates on our cybersecurity programs, including material cybersecurity risks and mitigation strategies.



In 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see “Item 3. Key Information—D. Risk Factors” in this annual report on Form 20-F.

For more information on our cybersecurity risk management efforts, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Intellectual Property, Privacy and Cybersecurity—Unauthorized disclosure of, improper access to, or destruction or modification of data through cybersecurity breaches, computer viruses or otherwise, or disruptions to our systems or services, could expose us to liability, protracted and costly litigation and damage our reputation,” “Item 4. Information on the Company—Business Overview—Cybersecurity Efforts”. and “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Information Technology Risk.”



PART III

Item 17. Financial statements

We have responded to Item 18 in lieu of this item.

Item 18. Financial statements

Financial Statements are filed as part of this annual report. See pages F-1 to F-123 to this annual report.

Item 19. Exhibits

The following documents are filed as part of this annual report:

Exhibit No.	Exhibit
1.1**	Memorandum and Articles of Association of Nu (incorporated herein by reference to Exhibit 3.1 to our annual report on form 20-F for the fiscal year ended December 31, 2023 filed with the SEC on April 21, 2022).
2.1*	Description of Securities registered under Section 12 of the Exchange Act.
2.3**	Registration Rights Agreement by and among the registrant and certain holders of its shares (incorporated herein by reference to Exhibit 4.2 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on December 3, 2021).
2.4**	Shareholder’s Agreement by and among the registrant, David Vélez Osorno and Rua California Ltd. (incorporated herein by reference to Exhibit 4.3 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on December 3, 2021).
2.5*	First Amendment to the Shareholders Agreement by and among the registrant, David Vélez Osorno and Rua California Ltd, dated as of March 11, 2025.
4.1**	Form of Indemnification Agreement between the registrant and each of its directors and executive officers (incorporated herein by reference to Exhibit 10.1 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on December 3, 2021).

4.2**	<u>Nu Holdings Ltd. 2021 Employee Share Purchase Plan and related form agreements (incorporated herein by reference to Exhibit 10.2 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on December 3, 2021).</u>
4.3**	<u>Nu Holdings Ltd. 2020 Omnibus Incentive Plan (as amended) and related form agreements (incorporated herein by reference to Exhibit 10.2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on November 1, 2021).</u>
4.4*	<u>Amendment to 2020 Omnibus Incentive Plan adopted on April 10, 2025 and effective as of July, 1, 2025.</u>
4.5**	<u>Nu Holdings Ltd. 2016 Share Option Plan (as amended) and related form agreements (incorporated herein by reference to Exhibit 10.3 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on November 1, 2021).</u>
4.6**	<u>License Agreement, dated as of January 29, 2014, between Mastercard International Incorporated and EO2 Soluções de Pagamento S.A., including the Acceptance Letter, dated as of January 29, 2014; the Summary of Licenses Granted, dated as of January 29, 2014; and the Supplement to the Mastercard License Agreement, dated as of January 29, 2014 (incorporated herein by reference to Exhibit 10.4 to the Amendment No. 1 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on November 30, 2021).</u>
4.7**	<u>License Agreement, dated as of April 24, 2020, between Mastercard International Incorporated and Nu Pagamentos S.A., including the First Amendment to the License Agreement, dated as of April 24, 2020; the Summary of Licenses Granted, dated as of April 24, 2020; and the Supplement to the Mastercard License Agreement, dated as of April 24, 2020 (incorporated herein by reference to Exhibit 10.5 to the Amendment No. 1 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on November 30, 2021).</u>

4.8**	License Agreement, dated as of January 3, 2019, between Mastercard International Incorporated and Nu Bn Mexico S.A. de C.V., including the Acceptance Letter, dated as of January 3, 2019; the Summary of Licenses Granted, dated as of January 3, 2019; and the Supplement to the Mastercard License Agreement, dated as of January 3, 2019 (incorporated herein by reference to Exhibit 10.6 to the Amendment No. 1 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on November 30, 2021).
8.1*	List of subsidiaries.
11.1*	Insider Trading Policy
12.1*	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer.
12.2*	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Financial Officer.
13.1*	Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer.
13.2*	Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer.
23.1*	Consent of KPMG Auditores Independientes Ltda.
97.1	Compensation Clawback Policy (incorporated herein by reference to Exhibit 97.1 to our annual report on form 20-F for the fiscal year ended December 31, 2023 filed with the SEC on April 19, 2024).

101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Previously filed.

GLOSSARY OF TERMS

The following is a glossary of certain industry and other defined terms used in this annual report:

“ARPAC” stands for average revenue per active customer.

“activity rate” is defined as monthly active customers divided by the total number of customers as of a specific date.

“ANBIMA” means the Brazilian Association of Financial and Capital Markets Entities (*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*).

“Boleto” (banking payment slips) means a printable document issued by merchants and used to make payments in Brazil.

"Bill” means a Bill of law, a formal proposal for new legislation or changes to existing laws presented for approval in a legislative body. If approved, it becomes law.

“Brazil” means the Federative Republic of Brazil.

“Brazilian government” means the federal government of Brazil.

“B3” means B3 S.A. – Brasil, Bolsa, Balcão, the Brazilian Stock Exchange.

“CAC” means customer acquisition costs and consists of the following expenses: printing and shipping of a card, credit data costs (primarily consisting of credit bureau costs) and paid marketing.

“CAGR” means the compound annual growth rate, measured as the annualized average rate of growth between given dates, assuming growth takes place at an exponentially compounded rate.

“CDI Rate” means the Brazilian interbank deposit (*certificado de deposito interbancário*) rate, which is an average of interbank overnight deposit interest rates in Brazil.

“Central Bank of Brazil” means the Brazilian Central Bank (*Banco Central do Brasil*).

“Colombian pesos” or “COL\$” means Colombian pesos, the official currency of the Republic of Colombia.

“Condusef” means the Mexican regulator (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros*).

“CMN” means the Brazilian National Monetary Council (*Conselho Monetário Nacional*).

“CNBV” means the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria de Valores*).

“consumer finance” is the combination of Credit Card and Loan Businesses

“contribution margin” means the sum of revenue from our credit card, personal loans and NuAccount products, less variable expenses (consisting of interest and other financial expenses, transactional expenses and credit loss allowance expenses) directly associated with this revenue.

“COPOM” means the Brazilian Monetary Policy Committee (*Comitê de Política Monetária do Banco Central*).

“cost of risk” is defined as the sum of change in loan loss provisions, credit loss and gross recoveries divided by total receivables.

“credit loss allowance expenses / credit portfolio” is defined as credit loss allowance expenses, divided by the sum of receivables from credit card operations (current, installments and revolving) and loans to customers, in each case gross of ECL allowance, as of the period end date.

“customer” is defined as an individual or SME that has opened an account with us and does not include any such individuals or SMEs that have been charged off or blocked or voluntarily closed their account.

“CVM” means the Brazilian Securities Commission (*Comissão de Valores Mobiliários*).

“prepaid card” means a payment card that allows the cardholder to immediately access funds electronically from the cardholder’s account when making a purchase.

“ECL” or “ECL Allowance” means the expected credit loss on our credit operations, including loans and credit cards.

“EUR” or “€” means the Euro, the official currency of the European Union.

“first payment default” means when the first scheduled payment by a customer remains unpaid as of the 10th day after it becomes due.

“founding shareholder” refers to our founding shareholder, chairman and chief executive officer, David Vélez Osorno.

“FX Neutral” measures refer to certain measures prepared and presented in this annual report 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.

“IASB” means the International Accounting Standards Board.

“IFRS” means the International Financial Reporting Standards (IFRS Accounting Standards).

“interest-earning portfolio” consists of receivables from credit card operations on which we are accruing interest and loans to customers, in each case gross of ECL allowance, as of the period end date.

“Lifetime value” or “LTV” is the estimated lifetime value of our customers. This is based on the present value of estimated contribution margin generated by a customer during the lifetime of a customer’s relationship with our business. We calculate LTV based on the following key assumptions: (1) 12% per annum as the discount rate applied to the projected stream of contribution margin generated by a customer; (2) estimated lifetime capped at 10 years; and (3) growth and churn estimates based on historical analysis across our cohorts and estimated inflation rates.



“LTV/CAC” means the ratio of lifetime value to customer acquisition costs and is calculated as the lifetime value divided by our customer acquisition costs. We use this metric to assess return on marketing spend and other costs to onboard new customers.

“Mexican pesos” or “MEX\$” means Mexican pesos, the official currency of the United Mexican States.

“monthly active customers” is defined as all customers that have generated revenue in the last 30 calendar days, for a given measurement period.

“monthly average cost to serve per active customer” 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).

“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).

“Net promoter score,” or “NPS,” measures the willingness of customers to recommend our products and services. See “Presentation of Financial and Other Information—Calculation of Net Promoter Score.”

“NuAccount” means the Nu bank account we offer to our individual and SME customers; “Personal NuAccount” means the Nu personal bank account we offer to our individual customers; and “SME NuAccount” means the Nu business bank account we offer to our SME customers.

“organic customer growth” is calculated as new customers acquired without incurring direct paid marketing expenses. An organic customer is one who comes to our website or app without clicking on an advertisement link. This includes both customers who directly come to our website or app, or who were referred to us by an existing customer. An inorganic customer is one who comes to our website or app through a paid channel or campaign (e.g., by clicking on an online advertisement).

“Pix” means the instant payment system launched by the Central Bank of Brazil in 2020 that allows real-time payments and transfers.

“primary bank” or “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 12 months.

“Purchase volume,” or “PV,” is defined as the total value of transactions that are authorized through our credit and prepaid cards only; it does not include other payment methods that we offer such as Pix, WhatsApp payments or traditional wire transfers.

“real,” “reais” or “R\$” means the Brazilian real, the official currency of Brazil.



- “SAM” is the term used for Serviceable Addressable Market.
- “SELIC” means the Brazilian Special Clearance and Custody System (*Sistema Especial de Liquidação e Custódia*).
- “SELIC rate” means the Brazilian interest rate established by the SELIC.
- “Shareholder’s Agreement” means the shareholder’s agreement entered into and among David Vélez Osorno, Rua California Ltd., and Nu.
- “SIC” means the Colombian Superintendence of Industry and Commerce, a public authority and technical agency attached to the Ministry of Trade, Industry and Tourism of Colombia.
- “SMEs” means small and medium enterprises.
- “STF” means the Federal Supreme Court of Brazil (*Supremo Tribunal Federal*).
- “squads” is the term used to refer to Nu teams that work within the same scope of operations, e.g., Controllershship Squad, FP&A Squad.
- “Sofipo” is the term for Popular Financial Institutions which are for-profit companies whose purpose is to promote the collection of resources, as well as to place them through loans or credits to the general public.
- “SUSEP” means the Brazilian Superintendence of Private Insurance (*Superintendência de Seguros Privados*).
- “U.S. dollar,” “U.S. dollars” or “US\$” means U.S. dollars, the official currency of the United States.
- "TIE" means Mexican Interbanking Equilibrium Interest Rate.
- "VASPs” means virtual asset service providers



SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Nu Holdings Ltd.	
April,16, 2025	
By:	/s/ David Vélez Osorno
Name:	David Vélez Osorno
Title:	Chairman and Chief Executive Officer

By:	/s/ Guilherme Marques do Lago
Name:	Guilherme Marques do Lago
Title:	Chief Financial Officer

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Nu Holdings Ltd.

Consolidated Financial Statements
December 31, 2024, 2023 and 2022

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors Nu Holdings Ltd.

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Nu Holdings Ltd. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and the consolidated results of its operations and its consolidated cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with International Financial Reporting Standards – Accounting Standards as issued by International Accounting Standards Board (IFRS-Accounting Standards). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in accounting method - Crypto Assets

As discussed in Note 1(c) to the consolidated financial statements, the Company has changed its method of accounting for the recognition of crypto assets held for other parties in the consolidated financial statements, due to the adoption of Staff Accounting Bulletin No. 122 as of December 31, 2024, which was adopted in a fully retrospective basis and rescinded Staff Accounting Bulletin No. 121.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Credit Loss Allowance From Credit Cards Receivables and Loans to Customers

As discussed in Notes 4(a), 5(a), 13 and 14 to the consolidated financial statements, the Company has credit loss allowance from credit cards receivables and loans to customers totaling US\$3,184,096 thousand as of December 31, 2024. The Company recognizes a lifetime credit loss allowance for the contracts that have experienced a significant increase in credit risk (SICR) subsequent to recognition or are credit impaired (stage 2 and stage 3, respectively), and a twelve-month credit loss allowance from credit cards receivables and loans to customers for all other contracts (stage 1). To calculate credit loss allowance from credit cards receivables and loans to customers the Company segregates the portfolios of amounts receivable from credit cards and loans to customers into homogeneous risk groups based on shared credit risk characteristics, determined by internal scoring models, and estimates the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD) for each group. The Company's calculation of credit loss allowance from credit cards receivables and loans to customers also reflects possible future macroeconomic scenarios for which it projects the following variables: gross domestic product (GDP); the inflation rate; the unemployment rate; and the basic interest rate.

We identified the measurement of the allowance for expected credit losses from credit cards receivables and loans to customers as a critical audit matter. Complex auditor judgment was required to evaluate the credit loss allowance estimate as it involves significant measurement uncertainties as a result of the complexity of the models and the significant judgments made by the Company, specifically: (i) the overall credit loss allowance methodology, including the methods and models used to estimate the PDs, EADs and LGDs; (ii) the selection of the macroeconomic variables incorporated into the calculation; and (iii) the Company's definition of a SICR (stage 2).

Our audit procedures in this area included, but were not limited to:

We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's credit loss allowance process. This included controls related to the:

- (i) design of the models and methodology for estimating the credit loss allowance, including the selection of the macroeconomic variables;
- (ii) definition of SICR contracts;

- (iii) performance monitoring of the models; and
- (iv) periodic validation of the models.

We involved credit risk professionals with specialized skills and knowledge, who assisted in:

- (i) evaluating the overall credit loss allowance methodology for compliance with IFRS Accounting Standards;
- (ii) assessing the conceptual soundness of the models and modeling techniques, including those used to derive the PDs, EADs and LGDs and to select the macroeconomic variables that are incorporated into the calculation, by inspecting model documentation to determine whether the models are suitable for their intended use;
- (iii) checking the accuracy of the Company's estimates of PD, EAD and LGD using the Company's historical data and forward-looking information;
- (iv) evaluating the relevance of the variables considered in the future macroeconomic scenarios through regression analysis of the historical correlation of these variables and credit risk; and
- (iv) evaluating the Company's definition of a SICR by assessing relevant Company-specific metrics and comparing it to the applicable industry and regulatory practices.

Assessment of the value in use of the Investment cash generating unit

As discussed in Note 4(k) to the consolidated financial statements, the Company's Investment cash generating unit has a carrying amount of US\$ 528,900 thousand, which includes goodwill related to the acquisition of Nu Investimento's of US\$ 353,405 thousand, as of December 31, 2024. The Company allocates goodwill to cash generating units (CGUs) and performs an impairment test over these CGUs at least annually or when there are events or circumstances that indicate that the carrying amount of a CGU exceeds its recoverable amount. Initially, the Company calculates the recoverable amount of a CGU based on its value in use, determined by discounting the future cash flows expected to be generated by the continued use of the CGU's assets and its final disposal.

We identified the assessment of the value in use of the Investment CGU as a critical audit matter. The calculation of the value in use of the Investment CGU using a discounted cash flow model requires the Company to make subjective assumptions, including the discount rate and the future growth of the CGU. Future growth assumptions include both forecast cash flows, based on historical results and the Company's budget, and a projected growth rate into perpetuity based on inflation expectations. A high degree of subjective auditor judgment was required to evaluate the discount rate and the future growth assumptions used in the discounted cash flow model.

Our audit procedures in this area included, but were not limited to:

We evaluated the design and tested the operational effectiveness of certain internal controls related to the Company's assessment of the value in use of the Investment CGU, including controls related to the review of the budget process; review and approval of the discount rate and the future growth assumptions used in the discounted cash flow model and review of impairment indicators.

We involved corporate finance professionals with specialized skills and knowledge, who assisted in evaluating:

- (i) the Company's forecasted cash flow growth rates by challenging management's projections, including the potential impacts of Internal and / or external economic factors, and comparing certain assumptions with internal and publicly available market data.
- (ii) the discount rate used by comparing certain of its components with publicly available market data; and
- (iii) the Company's ability to accurately forecast by comparing the Company's historical cash flow forecasts to actual subsequent cash flows.
- (iv) the methodology used to estimate value in use, comparing it with the market's generally accepted valuation practices.

KPMG Auditores Independentes Ltda.

We have served as the Company's auditor since 2018. São Paulo - Brazil

April 16, 2025

Consolidated Statements of Income
For the years ended December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars, except earnings per share)

	Note	2024	2023	2022
Interest income and gains (losses) on financial instruments	6	9,631,043	6,439,712	3,555,213
Fee and commission income	6	1,886,032	1,589,264	1,237,018
Total Revenue		11,517,075	8,028,976	4,792,231
Interest and other financial expenses	6	(2,834,859)	(2,036,925)	(1,547,903)
Transactional expenses	6	(260,324)	(215,930)	(176,427)
Credit loss allowance expenses	7	(3,168,983)	(2,285,218)	(1,404,911)
Total cost of financial and transactional services provided		(6,264,166)	(4,538,073)	(3,129,241)
Gross profit		5,252,909	3,490,903	1,662,990
Operating expenses				
Customer support and operations	8	(604,643)	(488,082)	(335,363)
General and administrative expenses (G&A)	8	(1,256,086)	(1,042,290)	(1,333,267)
Contingent share award (CSA) termination	10	-	-	(355,573)
G&A - Others		(1,256,086)	(1,042,290)	(977,694)
Marketing expenses	8	(246,396)	(171,022)	(152,997)
Other income (expenses)	8	(350,586)	(250,431)	(150,264)
Total operating expenses		(2,457,711)	(1,951,825)	(1,971,891)
Income (loss) before income taxes		2,795,198	1,539,078	(308,901)
Income taxes				
Current taxes	31	(1,536,521)	(1,184,230)	(473,345)
Deferred taxes	31	713,435	675,682	417,612
Total income taxes		(823,086)	(508,548)	(55,733)
Net income (loss) for the year		1,972,112	1,030,530	(364,634)
Net income (loss) attributable to shareholders of the parent company		1,972,112	1,030,530	(364,578)
Net income (loss) attributable to non-controlling interests		-	-	(56)
Earnings (losses) per share – Basic	9	0.4115	0.2175	(0.0780)
Earnings (losses) per share – Diluted	9	0.4034	0.2121	(0.0780)
Weighted average number of outstanding shares – Basic (in thousands of shares)	9	4,792,081	4,738,841	4,676,977
Weighted average number of outstanding shares – Diluted (in thousands of shares)	9	4,888,918	4,857,579	4,676,977

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

	Note	2024	2023	2022
Net income (loss) for the year		1,972,112	1,030,530	(364,634)
Other comprehensive income (loss):				
Effective portion of changes in fair value		56,141	29,305	(29,795)
Changes in fair value reclassified to profit or loss		(32,403)	(13,018)	18,007
Deferred income taxes		(13,405)	3,616	2,815
Cash flow hedge	20	10,333	19,903	(8,973)
Changes in fair value		2,078	32,246	(22,053)
Deferred income taxes		1,506	(1,950)	(1,986)
Financial assets at fair value through other comprehensive income (loss)		3,584	30,296	(24,039)
Currency translation on foreign entities		(998,474)	243,853	2,580
Total other comprehensive income (loss) that are or may be reclassified subsequently to profit or loss		(984,557)	294,052	(30,432)
Changes in fair value - own credit adjustment	21	(40)	29	2,008
Total other comprehensive income (loss) that will not be reclassified to profit or loss subsequently		(40)	29	2,008
Total other comprehensive income (loss), net of tax		(984,597)	294,081	(28,424)
Total comprehensive income (loss) for the year, net of tax		987,515	1,324,611	(393,058)
Total comprehensive income (loss) attributable to shareholders of the parent company		987,515	1,324,611	(393,002)
Total comprehensive income (loss) attributable to non-controlling interests		-	-	(56)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position
As of December 31, 2024 and 2023
(In thousands of U.S. Dollars)

	Note	2024	2023
Assets			
Cash and cash equivalents	11	9,185,742	5,923,440
Financial assets at fair value through profit or loss		741,042	389,875
<i>Securities</i>	12	665,242	368,574
<i>Derivative financial instruments</i>	20	75,464	20,981
<i>Collateral for credit card operations</i>	24	336	320
Financial assets at fair value through other comprehensive income		9,913,517	8,805,745
<i>Securities</i>	12	9,913,517	8,805,745
Financial assets at amortized cost		26,701,505	24,988,919
<i>Credit card receivables</i>	13	12,259,276	12,414,133
<i>Loans to customers</i>	14	5,321,885	3,202,334
<i>Compulsory and other deposits at central banks</i>	15	6,743,336	7,447,483
<i>Other receivables</i>	16	1,413,443	1,689,030
<i>Other financial assets</i>		78,147	131,519
<i>Securities</i>	12	885,418	104,420
Other assets	17	663,578	936,209
Deferred tax assets	31	1,818,339	1,537,835
Investments in associates	18	99,365	-
Right-of-use assets		20,344	30,459
Property, plant and equipment		25,879	39,294
Intangible assets	19	347,616	295,881
Goodwill	19	414,287	397,538
Total assets		49,931,214	43,345,195

Consolidated Statements of Financial Position
As of December 31, 2024 and 2023
(In thousands of U.S. Dollars)

	Note	2024	2023
Liabilities			
Financial liabilities at fair value through profit or loss		340,912	242,615
<i>Derivative financial instruments</i>	20	32,329	28,173
<i>Instruments eligible as capital</i>	21	-	3,988
<i>Repurchase agreements</i>	22	308,583	210,454
Financial liabilities at amortized cost		39,918,963	34,582,759
<i>Deposits</i>	23	28,855,065	23,691,130
<i>Payables to network</i>	24	9,333,541	9,755,285
<i>Borrowings and financing</i>	25	1,730,357	1,136,344
Salaries, allowances and social security contributions		180,181	166,876
Tax liabilities	31	1,102,086	1,300,845
Lease liabilities		26,197	36,942
Provision for lawsuits and administrative proceedings	26	22,551	8,082
Deferred income	27	71,636	68,360
Other liabilities	28	621,612	532,331
Total liabilities		42,284,138	36,938,810
Equity			
Share capital	32	84	84
Share premium reserve	32	5,053,776	4,972,922
Accumulated gains	32	3,420,596	1,276,949
Other comprehensive income (loss)	32	(828,167)	156,430
Equity attributable to shareholders of the parent company		7,646,289	6,406,385
Equity attributable to non-controlling interests		787	-
Total equity		7,647,076	6,406,385
Total liabilities and equity		49,931,214	43,345,195

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity
As of December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

	Attributable to shareholders of the parent company										
		Other comprehensive income (loss)									
	Note	Share capital	Share premium reserve	Accumulated gains	Translation reserve	Cash flow hedge reserve	Financial Assets at FVTOCI	Own credit revaluation reserve	Total	Total non-controlling interests	Total equity
Balances as of December 31, 2023		84	4,972,922	1,276,949	135,497	12,417	7,998	518	6,406,385	-	6,406,385
Net income for the year		-	-	1,972,112	-	-	-	-	1,972,112	-	1,972,112
Share-based compensation, net of shares withheld for employee taxes	10	-	-	170,252	-	-	-	-	170,252	-	170,252
Shares issued to providers	32	-	-	1,283	-	-	-	-	1,283	-	1,283
Shares issued on business acquisition	32	-	75,308	-	-	-	-	-	75,308	-	75,308
Stock options exercised	32	-	5,546	-	-	-	-	-	5,546	-	5,546
Increase in non-controlling interests		-	-	-	-	-	-	-	-	787	787
Other comprehensive income, net of tax	32										
Cash flow hedge		-	-	-	-	10,333	-	-	10,333	-	10,333
Fair value changes - financial assets at FVTOCI		-	-	-	-	-	3,584	-	3,584	-	3,584
Currency translation on foreign entities		-	-	-	(998,474)	-	-	-	(998,474)	-	(998,474)
Own credit adjustment	32	-	-	-	-	-	-	(40)	(40)	-	(40)
Balances as of December 31, 2024		84	5,053,776	3,420,596	(862,977)	22,750	11,582	478	7,646,289	787	7,647,076

Consolidated Statements of Changes in Equity
As of December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

Attributable to shareholders of the parent company											
	Note	Other comprehensive income (loss)									Total equity
		Share capital	Share premium reserve	Share-based payment reserve	Accumulated losses	Accumulated gains	Translation reserve	Cash flow hedge reserve	Financial Assets at FVTOCI	Own credit revaluation reserve	
Balances as of December 31, 2022		83	4,963,774	765,639	(701,062)	64,577	(108,356)	(7,486)	(22,298)	489	4,890,783
Net income for the year		-	-	-	1,030,530	1,030,530	-	-	-	-	1,030,530
Share-based compensation, net of shares withheld for employee taxes	10	-	-	160,309	-	160,309	-	-	-	-	160,309
Shares issued to service providers	32	-	-	21,533	-	21,533	-	-	-	-	21,533
Shares issued	32	1	-	-	-	-	-	-	-	-	1
Stock options exercised	32	-	9,148	-	-	-	-	-	-	-	9,148
Other comprehensive income, net of tax	32										
Cash flow hedge		-	-	-	-	-	-	19,903	-	-	19,903
Fair value changes - financial assets at FVTOCI		-	-	-	-	-	-	-	30,296	-	30,296
Currency translation on foreign entities		-	-	-	-	-	243,853	-	-	-	243,853
Own credit adjustment		-	-	-	-	-	-	-	-	29	29
Balances as of December 31, 2023		84	4,972,922	947,481	329,468	1,276,949	135,497	12,417	7,998	518	6,406,385

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity
As of December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

	Attributable to shareholders of the parent company										
				Other comprehensive income (loss)							
	Note	Share capital	Share premium reserve	Accumulated gains (losses)	Translation reserve	Cash flow hedge reserve	Financial Assets at FVTOCI	Own credit revaluation reserve	Total	Total non-controlling interests	Total equity
Balances as of December 31, 2021		83	4,678,585	(128,409)	(110,936)	1,487	1,741	(1,519)	4,441,032	1,509	4,442,541
Loss for the year		-	-	(364,578)	-	-	-	-	(364,578)	(56)	(364,634)
Share-based compensation granted, net of shares withheld for employee taxes	10	-	-	201,991	-	-	-	-	201,991	-	201,991
Share-based compensation - contingent share award (CSA) termination	10	-	-	355,573	-	-	-	-	355,573	-	355,573
Stock options exercised	32	-	4,505	-	-	-	-	-	4,505	-	4,505
Shares issued on business acquisition		-	36,671	-	-	-	-	-	36,671	-	36,671
Shares issued on IPO over-allotment	32	-	247,998	-	-	-	-	-	247,998	-	247,998
Transactions costs from IPO over-allotment		-	(3,985)	-	-	-	-	-	(3,985)	-	(3,985)
Loss of control of subsidiary		-	-	-	-	-	-	-	-	(1,453)	(1,453)
Other comprehensive income or loss, net of tax	32										
Cash flow hedge		-	-	-	-	(8,973)	-	-	(8,973)	-	(8,973)
Fair value changes - financial assets at FVTOCI		-	-	-	-	-	(24,039)	-	(24,039)	-	(24,039)
Currency translation on foreign entities		-	-	-	2,580	-	-	-	2,580	-	2,580
Own credit adjustment		-	-	-	-	-	-	2,008	2,008	-	2,008
Balances as of December 31, 2022		83	4,963,774	64,577	(108,356)	(7,486)	(22,298)	489	4,890,783	-	4,890,783

Consolidated Statements of Cash Flows
For the years ended December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

	Note	2024	2023	2022
Cash flows from operating activities				
Reconciliation of profit to net cash flows from operating activities:				
Net Income (loss) for the year		1,972,112	1,030,530	(364,634)
Adjustments:				
Depreciation and amortization	8	77,128	62,895	35,581
Credit loss allowance expenses	7	3,469,044	2,487,648	1,440,922
Deferred income taxes	31	(713,435)	(675,682)	(417,612)
Provision for lawsuits and administrative proceedings		18,406	17,098	(1,174)
Unrealized losses (gains) on other investments		(11)	20	848
Unrealized losses on financial instruments		47,933	15,885	17,794
Interest accrued		179,203	103,572	32,479
Contingent share award (CSA) - termination		-	-	355,573
Share-based compensation	10	272,382	212,551	253,203
Others		(2,712)	23,056	8,203
		5,320,050	3,277,573	1,361,183
Changes in operating assets and liabilities:				
Securities		(2,552,241)	699,076	(1,102,864)
Credit card receivables		(5,873,063)	(7,878,307)	(5,213,669)
Loans to customers		(7,024,003)	(3,577,534)	(1,889,278)
Other receivables		385,192	(1,136,488)	(481,824)
Compulsory deposits and others at central banks		805,963	(4,540,463)	(1,880,347)
Other assets		369,190	(60,982)	(772,415)
Deposits		5,910,612	7,664,820	6,278,088
Payables to network		(528,511)	2,818,592	2,221,037
Deferred income		3,750	25,935	11,277
Other liabilities		1,111,830	1,279,987	979,277
Interest paid		(88,082)	(82,904)	(30,935)
Income tax paid		(1,262,541)	(612,447)	(297,090)
Interest received		5,820,898	3,389,331	1,573,133
Cash flows generated from operating activities		2,399,044	1,266,189	755,573

Consolidated Statements of Cash Flows
For the years ended December 31, 2024, 2023 and 2022
(In thousands of U.S. Dollars)

	Note	2024	2023	2022
Cash flows from investing activities				
Acquisition of property, plant and equipment		(5,418)	(20,243)	(20,001)
Acquisition and development of intangible assets		(169,572)	(156,760)	(94,305)
Investments in associates	18	(99,365)	-	-
Acquisition of subsidiary, net of cash acquired		(5,637)	-	(10,346)
Financial instruments derivatives	18	(50,635)	-	-
Acquisition of securities - equity instruments		-	-	(2,500)
Cash flow used in investing activities		(330,627)	(177,003)	(127,152)
Cash flows from financing activities				
Issuance of shares for over-allotment in IPO		-	-	247,998
Transactional costs for over-allotment in IPO		-	-	(3,985)
Payments of securitized borrowings		-	-	(10,633)
Proceeds from borrowings and financing	25	1,309,890	469,501	581,142
Payments of borrowings and financing	25	(580,642)	(46,501)	(159,983)
Lease payments		(7,053)	(6,933)	(5,005)
Exercise of stock options	32	5,546	9,148	4,505
Cash flows generated from financing activities		727,741	425,215	654,039
Change in cash and cash equivalents		2,796,158	1,514,401	1,282,460
Cash and cash equivalents				
Cash and cash equivalents - beginning of the year	11	5,923,440	4,172,316	2,705,675
Foreign exchange rate changes on cash and cash equivalents		466,144	236,723	184,181
Cash and cash equivalents - end of the year	11	9,185,742	5,923,440	4,172,316
Increase in cash and cash equivalents		2,796,158	1,514,401	1,282,460
Non-cash transactions				
Shares issued to service providers		1,283	21,533	-
Shares issued for business acquisition		75,308	-	36,671
Contingent share award (CSA) - termination		-	-	355,573

The accompanying notes are an integral part of these consolidated financial statements.

Nu Holdings Ltd.

Notes to the Consolidated Financial Statements (In thousands of U.S. Dollars, unless otherwise stated)

1. Operations

Nu Holdings Ltd. ("Company" or "Nu Holdings") was incorporated as an exempted Company under the Companies Law of the Cayman Islands on February 26, 2016. The address of the Company's registered office is Willow House, 4th floor, Cricket Square, Grand Cayman - Cayman Islands. Nu Holdings has no operating activities with customers.

The Company's shares are publicly traded on the New York Stock Exchange ("NYSE") under the symbol "NU". The Company holds investments in several operating entities and, as of December 31, 2024, its significant operating subsidiaries were:

- Nu Pagamentos S.A. - Instituição de Pagamento ("Nu Pagamentos") is an indirect subsidiary domiciled in Brazil. Nu Pagamentos is engaged in the issuance and administration of credit cards, payment transfers through a prepaid account, and participation in other companies as a partner or shareholder. Its main products include a Mastercard international credit card, managed via a smartphone app, and the NuAccount, a 100% digital smartphone app, maintenance-free prepaid account which also includes features of a traditional bank account, such as PIX (electronic transfers), bill payments, and ATM withdrawals.
- Nu Financeira S.A. – SCFI ("Nu Financeira") is an indirect subsidiary domiciled in Brazil, with personal loans and retail deposits as its main products. It offers customizable loans with transparent terms and conditions managed via a smartphone app, allowing 24/7 issuance, repayment, and prepayments through NuAccount. Additionally, Nu Financeira issues Bank Deposit Receipts (RDB) to NuAccount holders with daily liquidity and a defined maturity date, and provides credit to Nu Pagamentos credit card holders for overdue invoices and revolving credit.
- Nu Investimentos S.A. - Corretora de Títulos e Valores Mobiliários ("Nu Investimento") (previously known as Nu Invest Corretora de Valores S.A. ("Nu Invest")) is an indirect subsidiary acquired in June 2021, domiciled in Brazil, and is a digital investment broker dealer in Brazil.
- Nu México Financiera, S.A. de C.V., S.F.P. ("Nu Mexico Financiera"), an indirect subsidiary domiciled in Mexico. Nu Mexico Financiera is engaged in the issuance and administration of credit cards and offers deposits as its main products. Also, Nu Mexico Financiera provides customers in Mexico the opportunity to obtain loans. Customers also have access to the NuAccount, a 100% digital prepaid account available via a smartphone app, which also includes features of a traditional bank account.
- Nu Colombia Compañía de Financiamiento S.A ("Nu Colombia") is an indirect subsidiary domiciled in Colombia. Nu Colombia is engaged in the issuance and administration of credit cards and NuAccount, which is a 100% digital pre-paid account offered via a smartphone app, which also includes features of a traditional bank account.

The Company and its consolidated subsidiaries are referred to in these consolidated financial statements as the "Group" or "Nu".

The business plan of Nu provides for the continued growth of its Brazilian, Mexican, and Colombian operations, not only related to existing businesses, such as credit cards, personal loans, investments, and insurance, but also complemented by the launch of new products. Accordingly, these consolidated financial statements were prepared based on the assumption of the Group continuing as a going concern.

The Company's Board authorized the issuance of these consolidated financial statements on April 16, 2025.

a) Level III BDRs Program discontinuation

On June 28, 2023 the Securities and Exchange Commission of Brazil ("CVM") Collegiate approved the plan for the discontinuance of the Company's Level III BDRs Program and the cancellation of the Company's registration with the CVM as a foreign public issuer of category "A" securities. The Definition Period for Level III BDRs holders to make their choices among the possible alternatives within the scope of the discontinuity plan was closed on August 11, 2023, and the sale of the Class A Common Shares underlying the BDRs that were held by the holders of the BDRs that, within the scope of the Level III BDRs Program Discontinuance plan, were directed to the Sale Procedures, ended on August 21, 2023.

On September 22, 2023 the Company submitted a request to CVM to cancel the registration of the Level III BDRs Program and, consequently, to cancel Company's registry as a foreign issuer before CVM. On October 31, 2023 the cancellation was approved by CVM.

b) Nucoin

In September 2024, the Company announced the repositioning of Nucoin as part of a new loyalty program being developed for Nubank's customers, which led to the discontinuation of the liquidity pool feature that previously enabled clients to buy and sell Nucoin. As result, the Group recorded US\$40 million, primarily attributed to marketing expenses, aimed at repositioning Nucoin within the new loyalty program, as well as US\$8 million attributable to the impairment of certain capitalized intangible assets associated with the liquidity pool feature.

c) Staff Accounting Bulletin No. 122 ("SAB 122")

In January 2025, the SEC staff released Staff Accounting Bulletin No. 122 ("SAB 122"), which rescinded Staff Accounting Bulletin No. 121 ("SAB 121"). The Company effected the rescission of SAB 121 as of December 31, 2024 on a fully retrospective basis, resulting in the Company derecognizing the previously recognized safeguarding obligation liability related to crypto assets held for other parties and the corresponding safeguarding asset related to crypto assets held for other parties. As a result of the adoption of SAB 122, assets and liabilities related to customer crypto safeguarding were derecognized in the amount of US\$153,254 million in the consolidated financial position as of December 31, 2023.

d) Contingent share award - Termination

On November 29, 2022, Mr. David Vélez, the Company's Chief Executive Officer, informed the Company of his unilateral decision to terminate the 2021 Contingent Share Award ("CSA"). As a result of the termination, the Company recorded expenses on that date of US\$355,573 due to the acceleration of the vesting. After such one-time recognition, the Company no longer accounted for any expense associated with the 2021 Contingent Share Award. The termination did not impact cash flows and no shares were issued under this CSA. Additional information is disclosed in Note 10b.

e) Issuance of ordinary class A shares

In January 2022, Nubank issued 27,555,298 ordinary class A shares and raised proceeds of US\$247,998 as a result of the exercise of the underwriters over-allotment option.

f) Investments activities

On December 12, 2024 Nu made a minority investment in Tyme Group Pte Ltd. ("Tyme") as the lead of its series D funding round. Tyme operates under a hybrid model that combines a customer-centric digital platform with physical experiences, delivered in partnership with nationwide retailers through digital kiosks and bank ambassadors. Tyme specializes in emerging markets populations including South Africa and the Philippines. Additional information is disclosed in Note 18.

2. Statement of compliance

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards – Accounting Standards as issued by International Accounting Standards Board (IFRS - Accounting Standards).

a) Functional currency and foreign currency translation

i) Nu Holding's functional and presentation currency

Nu Holdings does not have any direct customers and its main direct activities are (i) investing in the operating entities in Brazil, Mexico, Colombia, as well as in other countries, (ii) financing, either equity or debt; and (iii) the payment of certain general and administrative expenses. As a result, these are considered its primary and secondary activities and all of them are substantially based on US Dollars ("US\$"), which was selected as the functional and presentation currency of Nu Holdings.

ii) Subsidiary's functional currency

For each subsidiary of the Group, the Company determines the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency"). Items included in the financial statements of each subsidiary are measured using that functional currency. The functional currency of the Brazilian operating entities is the Brazilian Real, the Mexican entities is the Mexican Peso, and the Colombian entity is the Colombian Pesos.

iii) Translation of transactions and balances

Foreign currency transactions and balances are translated in two consecutive stages:

- Foreign currency transactions are translated to the subsidiaries' functional currency at the exchange rates at the date of the transactions; and the exchange differences arising on the translation of foreign currency balances to the functional currency are recognized under "Other expenses (income)" in the consolidated statements of income. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Revenues and expenses are translated using a monthly average exchange rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

- The financial statements of the subsidiaries held in functional currencies that are not US\$ (foreign subsidiaries) are translated into US\$, and the exchange differences arising from the translation to US\$ of the financial statements denominated in functional currencies other than the US\$ is recognized in the consolidated statements of comprehensive income or loss ("OCI") as an item that may be reclassified to profit or loss within "currency translation on foreign entities".

The main criteria applied to the translation of financial statements of foreign subsidiaries to US\$ are as follows:

- Assets and liabilities are converted into US\$ at the exchange rate at the reporting date;
- Equity is translated into US\$ at historical cost;
- Revenues and expenses are translated using a monthly average exchange rate. When applying this criterion, the Group considers whether there have been significant changes in the exchange rates in the reporting period which, in view of their materiality with respect to the consolidated financial statements taken as a whole, would make it necessary to use the exchange rates at the transaction date rather than the aforementioned average exchange rates; and
- Statements of cash flow items are translated into US\$ using the monthly average exchange rate unless significant variances occur, when the rate of the transaction date is used instead.

b) New or revised accounting pronouncements adopted in 2024:

The following new or revised standards have been issued by IASB, were effective for the period covered by these consolidated financial statements and had no significant impact.

- Disclosures in Financial Statements (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

c) Other new standards and interpretations issued but not yet effective:

- Lack of Exchangeability (Amendments to IAS 21);
- Classification and measurement of financial instruments (Amendments to IFRS 7 and IFRS 9);
- Annual Improvements to IFRS Accounting Standards:
 - IFRS 1: Hedge accounting by a first-time adopter;
 - IFRS 7: Gain or loss on derecognition;
 - IFRS 7: Disclosure of deferred difference between fair value and transaction price;
 - IFRS 7: Introduction and credit risk disclosures;

- IFRS 9: Lessee derecognition of lease liabilities;
- IFRS 9: Transaction price;
- IFRS 10: Determination of a 'de facto agent';
- IAS 7: Cost method.
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12).

Brazil adopted Pillar Two rules, specifically the Qualified Domestic Minimum Top-up Tax (QDMTT) through enactment of Law n° 15.079/2024 in December 2024, which will be effective as of January 1, 2025. QDMTT determines that a minimum 15% corporate income rate tax should be paid in each jurisdiction in which multinational groups operate. The Group's operations in Brazil and the majority of Brazilian entities have a statutory corporate income tax rate of 40%, which exceeds the QDMTT standards, therefore no impact of Pillar Two is expected. There are no impacts related to Pillar Two for the other consolidated companies under Nu Holdings structure.

Management does not expect the adoption of the amendments described above to have a significant impact, other than additional disclosures, on the Group's consolidated financial statements.

- Presentation and Disclosures in Financial Statements (IFRS 18):

The new standard replaces IAS 1 - Presentation of Financial Statements and determines a new structure for the income statement by categorizing it into predefined sections: operating, investing, financing, discontinued operations, and income tax. It also requires the disclosure of management-defined performance measures (MPMs) in a single note within the financial statements. These amendments will take effect on January 1, 2027. The Group is reviewing the impacts of the new standard.

3. Basis of consolidation

These consolidated financial statements include the accounting balances of Nu Holdings and all those subsidiaries over which the Company exercises control, directly or indirectly. Control is achieved where the Company has (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) can use its power to affect its profits.

The Company re-assesses whether it maintains control of an investee if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements of control.

The consolidation of a subsidiary begins when the Company obtains control over it and ceases when the Company loses control over it. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the reporting period are included in the consolidated statements of income from the date the Company gains control until the date the Company ceases to control the subsidiary.

The financial information of the subsidiaries was prepared for the same period as the Company and consistent accounting policies were applied. The financial statements of the subsidiaries are fully consolidated with those of the Company. Accordingly, all balances, transactions and any unrealized income and expenses arising between consolidated entities are eliminated in the consolidation, except for foreign-currency gain and losses on translation of intercompany loans. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the parent and to the non-controlling interests, when applicable.

The subsidiaries below are the most relevant entities included in these consolidated financial statements:

Entity	Control	Principal activities	Functional currency	Country	Interest in total capital %		
					2024	2023	2022
Nu Pagamentos S.A. - Instituição de Pagamentos ("Nu Pagamentos")	Indirect	Credit card and prepaid account operations	BRL	Brazil	100%	100%	100%
Nu Financeira S.A. – SCFI ("Nu Financeira")	Indirect	Loan operations	BRL	Brazil	100%	100%	100%
Nu Investimentos S.A. - Corretora de Títulos e Valores Mobiliários ("Nu Investimentos")	Indirect	Investment platform	BRL	Brazil	100%	100%	100%
Nu México Financiera, S.A. de C.V., S.F.P. ("Nu Mexico Financiera")	Indirect	Multiple purpose financial company	MXN	Mexico	100%	100%	100%
Nu Colombia Compañía de Financiamiento S.A. ("Nu Colombia")	Indirect	Multiple purpose financial company	COP	Colombia	100%	100%	100%

Nu Pagamentos, Nu Financeira and Nu Investimentos, Brazilian subsidiaries, are regulated by the Central Bank of Brazil (“BACEN”); Nu Mexico Financiera, a Mexican subsidiary, is regulated by both the Mexican Central Bank ("BANXICO") and Mexican National Banking and Stock Commission (“CNBV”); Nu Colombia, a Colombian subsidiary, is regulated by the Financial Superintendence of Colombia ("SFC"); and as such, there are some regulatory requirements that restrict the ability of the Group to access and transfer assets freely to or from these entities within the Group and to settle liabilities of the other entities of the Group.

In addition, the Company consolidated investment funds as of December 31, 2024 and 2023, in which the Group’s companies hold a substantial interest or the entirety of the interests and are therefore exposed, or have rights, to variable returns and have the ability to affect those returns through power over the funds.

4. Material accounting policies

The accounting policies described below have been applied consistently through the years presented in these consolidated financial statements.

a) Financial instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognized when the Group becomes a party to the contractual terms of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss ("ECL") allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), if any.

Classification and subsequent measurement

Financial assets and financial liabilities are classified as FVTPL where there is a requirement to do so or where they are otherwise designated at FVTPL on initial recognition. Financial assets and financial liabilities which are required to be held at FVTPL include:

- Financial assets and financial liabilities held for trading;
- Debt instruments that do not solely have payments of principal and interest ("SPPI") characteristics. Otherwise, such instruments must be measured at amortized cost or FVTOCI; and
- Equity instruments that have not been designated as held at FVTOCI.

Financial assets and financial liabilities are classified as held for trading if they are derivatives or if they are acquired or incurred mainly for the purpose of selling or being repurchased in the near-term, or form part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit-taking.

In certain circumstances, other financial assets and financial liabilities are designated at FVTPL where this results in the more relevant information. This may arise because it significantly reduces a measurement inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on a different basis, where the assets and liabilities are managed and their performance evaluated on a fair value basis or, in the case of financial liabilities, where it contains one or more embedded derivatives which are not closely related to the host contract.

The classification and measurement requirements for financial asset debt and equity instruments and financial liabilities are set out below.

Financial assets - debt instruments

Debt instruments are those instruments that meet the definition of financial liability from the issuer's perspective, such as loans and government and corporate bonds.

The classification criteria and subsequent measurement for financial assets depends on the business model for their management and the characteristics of their contractual flows. The business models refer to the way in which the Group manages its financial assets to generate cash flows. In this definition, the following factors are taken into consideration, among others:

- How key management assess and report on the performance of the business model and the financial assets held in the business model;

- The risks that affect the performance of the business model (and the financial assets held in the business model) and, specifically, the way in which these risks are managed; and
- The frequency and volume of sales in previous years, as well as expectations of future sales.

Depending on these factors, the asset can be measured at amortized cost, at fair value with changes in other comprehensive income, or at fair value with changes through profit or loss.

Business model: The business model reflects how the Group manages the assets to generate cash flows and, specifically, whether the Group's objective is solely to (i) collect the contractual cash flows from the assets or (ii) is to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable, such as where the financial assets are held for trading purposes, then the financial assets are classified as part of an "other" business model and measured at FVTPL. To assess business models, the Group considers risks that affect the performance of the business model; how the managers of the business are compensated; and how the performance of the business model is assessed and reported to Management.

When a financial asset is subject to business models (i) and (ii), the application of the SPPI test is required, as explained below.

Solely Payments of Principal and Interest – SPPI test: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the assets' cash flows represent SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan arrangement (i.e., interest includes only consideration for the time value of money, credit risk, other basic loan risks, and a profit margin that is consistent with a basic loan arrangement). Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic loan arrangement, the related asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Based on these factors, the Group classifies its instruments into one of the following measurement categories.

Amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL recognized and measured. Interest income from these financial assets is included in the statement of income using the effective interest rate method. When estimates of future cash flows are revised, the carrying amount of the respective financial assets or financial liabilities is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in the statement of income.

FVTOCI:

Financial assets that are both held for collection of contractual cash flows, where those cash flows represent SPPI, and for sale, depending on the Group's best interests, which are not designated at FVTPL, are measured at fair value through other comprehensive income ("FVTOCI"). The carrying amount of these assets is adjusted by any ECL recognized and measured. Interest income from these financial assets is included in the statement of comprehensive income or loss using the effective interest rate method.

FVTPL:

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL, including any debt instruments designated at fair value, is recognized in profit or loss, and presented in the statement of income in the period in which it arises.

The Group reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first period following the change.

Classification of financial assets for presentation purposes

Financial assets are classified by nature into the following items in the consolidated statements of financial position:

- Cash and cash equivalents;
- Securities;
- Collateral for credit card operations;
- Derivative financial instruments;
- Compulsory and other deposits at central banks;
- Credit card receivables and loans to customers;
- Other financial assets;
- Other receivables.

Financial liabilities

Financial liabilities are initially classified into the various categories used for management and measurement purposes, unless they have to be presented as liabilities associated with non-current assets held for sale or they relate to hedging derivatives or changes in the fair value of hedged items in portfolio hedges of interest rate risk, which are reported separately.

Financial liabilities are included for measurement purposes in one of the following categories:

- Financial liabilities held for trading (at FVTPL): this category includes financial liabilities incurred for the purpose of generating a profit in the near term from fluctuations in their prices and financial derivatives not designated as hedging instruments.
- Financial liabilities designated at FVTPL: financial liabilities are included in this category when they provide more relevant information, either because this eliminates or significantly reduces recognition or measurement inconsistencies (accounting mismatches) that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases, or because a group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided on that basis to the Group's key management personnel. Liabilities may only be included in this category on the date when they are incurred or originated. This classification is applied to derivatives, financial liabilities held for trading, and other financial liabilities designated as such at initial recognition. The Group has designated the instruments eligible as capital as fair value through profit or loss at its initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability) and partially in the statement of income (the remaining amount of change in the fair value of the liability).

- Financial liabilities at amortized cost: financial liabilities, irrespective of their instrumentation and maturity, not included in any of the above-mentioned categories which arise from the ordinary borrowing activities carried on by financial institutions.

Classification of financial liabilities for presentation purposes

Financial liabilities are classified by nature into the following items in the consolidated statements of financial position:

- Derivative financial instruments;
- Instruments eligible as capital;
- Repurchase agreements;
- Deposits;
- Payables to network;
- Borrowings and financing, and securitized borrowings.

Credit loss allowance of financial assets

The Group calculates an expected credit loss ("ECL") for its financial assets. This way, ECLs should account for forecast elements such as undrawn limits and macroeconomic conditions that might affect the Group's receivables.

The Group calculates different provisions for the financial instruments classified into:

- Stage 1 - no significant increase in credit risk ("SICR");
- Stage 2 - significant increase in credit risk since initial recognition; and
- Stage 3 - credit impaired.

Based on these concepts, Nu's approach was to calculate ECL through the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") methodology.

Definitions of stages

Stage 1 definition – no significant increase in credit risk

All receivables not classified in stages 2 and 3.

Stage 2 definition – significant increase in credit risk subsequent to recognition

The Group utilizes two guidelines for determining stage 2:

- (i) absolute criteria: the financial asset is more than 30 (thirty) days but less than 90 (ninety) days in arrears; or
- (ii) relative criteria: in addition to the absolute criteria, the Group analyzes monthly the evolution of the risk of each financial instrument, comparing the current risk assessment of the counterparty with the one given at the moment of recognition of the financial asset. The risk assessment considers credit behavior variables, largely correlated with the probability of default (PD) of the financial instrument.

A cure criteria is adopted for stage 2, considering if the financial asset is no longer meeting the significant increase in credit risk criteria as stated above.

Stage 3 definition – credit impaired

Stage 3 definition follows the definition of default:

- (i) The financial asset is more than 90 (ninety) days in arrears; or
- (ii) There are indicatives that the financial asset will not be fully paid without a collateral or financial guarantee being triggered.

Indication that an obligation will not be fully paid includes forbearance of financial instruments that implies advantages being granted to the counterparty following deterioration in the credit quality of the counterparty (debt restructuring).

The Group also assumes a cure criteria for stage 3, establishing a probation period required to revert the condition of impaired asset, enabling migration to prior stages.

Lifetime definition

The maximum period over which expected credit loss shall be measured is the maximum contractual period over which the entity is exposed to credit risk. For loan commitments, this is the maximum contractual period over which an entity has a present contractual obligation to extend credit. Thus, for the loan product, the lifetime is straightforward, being equal to the number of months for the remaining loan installments to be defaulted on.

However, the credit card includes both a loan and an undrawn commitment component and does not have a fixed term or repayment structure. Thus, the period over which to measure expected credit loss is based on historical information and experience about the length of time for related default to occur on similar financial instruments following a significant increase in credit risk.

In turn, a study was conducted for the stage 2 credit cards portfolio tracking over a time period to measure how long it takes for the cumulative default rate to stabilize, understanding this as the moment the entity is not expected to be exposed to credit risk.

Forward-looking – macroeconomic scenarios

The Group calculates the ECL considering the current and future macroeconomic environment. The macroeconomic forecasts are based on average market expectations for the main countries the Group operates in and include the variables GDP (Growth Domestic Product), inflation, unemployment and basic interest rate. These forecasts are monitored by the Group.

The Group builds models with upside and downside scenarios, which are based on the relationships observed historically with changes in credit risk. The Group determines the weightings of the scenarios by analyzing the macroeconomic forecasts and how they relate to the current environment. The weighting of scenarios depends on the Group's expectations regarding the likelihood of each scenario to occur. The weighting is re-assessed quarterly and reviewed whenever there is a substantial change in the economic environment that causes the macroeconomics outlooks' expectation to be revised.

The weights and their severity are factored into the estimation of the ECL final number. This methodology allows a timelier response to changes in macroeconomic trends.

Measuring ECL

The final ECL was calculated using the following parameters:

- Probability of default (PD): is the likelihood that a receivable will reach default in a time window. For stage 1 customers, PDs are calculated for the next 12-month period, while for stage 2, the calculation is done through the lifetime of the instrument. For stage 3, PD is considered to be 100% since the credit has already defaulted.
- Exposure at default (EAD): the discounted balance that, in the event of a default, a customer is expected to have. For revolving facilities, it is a function of the customer's current limit (total credit exposure) and the expected limit utilization percentage at the moment of default. The expected limit utilization is driven by different customer behavior. In contrast the EAD of a product is the expected balance value at default after considering the repayments behavior.
- Loss given default (LGD): the percentage expected not to be recovered from a defaulted balance. This ratio represents the present value of all recoveries, adjusted for collections costs, divided by the defaulted balances.
- Discount rate: it is the average effective interest rate calculated using historical data.

The parameters mentioned above are segmented in homogeneous risk groups, determined by internal scoring models, relying on, among others, customer behavioral information, internal and external, including delinquency and credit utilization.

Governance around ECL

The Group's Credit Risk Team has developed the current ECL method. Monthly results are monitored and discussed in appropriate forums involving credit businesses and finance teams.

The Group assesses the performance of ECL estimations through the following methods:

- Back testing: comparing the model's output at prior reference dates to materialized defaults net of recoveries allows the Group to evaluate how the model's predictions have paired with actual data.
- Coverage duration: while back testing, the Group analyzes how many months it is covered for losses while provisioning the ECL.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the assets. Any excess of the loss allowance over the gross amount is presented as a provision in "Other liabilities".

Write-off

The Group directly reduces the gross carrying amount of a financial asset when it has no reasonable expectation of recovering it in its entirety or a portion thereof. For unsecured loans, a write-off is taken when all internal avenues of collecting the debt have been exhausted, and the debt is handed over to external collection agencies or the Group has no reasonable expectation of recovering further amounts. All balances are written-off, and are subject to enforcement activity. Contact is made with customers with the aim of achieving a realistic and sustainable repayment arrangement.

Recoveries

Recoveries of credit loss are registered as an income, offset against credit loss, and classified in the consolidated statements of income as "Credit loss allowance expenses".

Modifications of financial assets

The factors used by the Company to determine whether there is a substantial modification of a contract are: evaluation if there is a renegotiation that is not part of the original contractual terms, change to contractual cash flows and significant extensions of the term of the transaction due to the debtor's financial constraint and significant changes to the interest rate, among others.

The major modifications in the Company's financial assets correspond to changes in contractual cash flows when credit card receivables, current or revolving, are modified to receivables in installments or changes in the installments profile in loans to customers. These modifications occur as a result of commercial restructuring activity or due to the credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement.

This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile.

Where terms are substantially different, the existing receivable will be derecognized and a new one will be recognized at fair value, with any difference in valuation recognized immediately within the statement of income, subject to observability criteria. Where terms are not substantially different, the receivables carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original effective interest rate, with any resulting gain or loss recognized immediately within the statement of income.

For ECL purposes, any modification that implies a forbearance will be recognized as stage 3. A forbearance implies advantages being granted to the counterparty as a result of deterioration in the credit quality of the counterparty. For this definition, the following are considered advantages (i) any material discounts applied to the current obligation and (ii) changes in prices that do not represent the customer credit risk profile.

Derivative financial instruments

Derivatives are contracts or agreements whose value is derived from one or more underlying indexes or asset values inherent in the contract or agreement, which require little or no initial net investment and are settled at a future date. Transactions are undertaken in interest rate, cross-currency, and other index related swaps and forwards.

Derivatives are held for risk management purposes and are classified as held for trading unless they are designated as being in a hedge accounting relationship. Derivatives are recognized initially at cost (on the date on which a derivative contract is entered into) and are subsequently re-measured at its fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are estimated using valuation techniques, including discounted cash flow and option pricing models.

A derivative contract is presented as an asset or as a liability according to its fair value at the reporting date, except where netting is permitted. The method of recognizing fair value gains and losses depends on whether derivatives are held for trading or are designated as hedging instruments and, if the latter, the nature of the risks being hedged. Gains and losses from changes in the fair value of derivatives held for trading are recognized in the consolidated statements of income and included within "Interest income and gains (losses) on financial instruments".

Hedge accounting

The Group applies hedge accounting to represent the economic effects of its risk management strategies. At the time a financial instrument is designated as a hedge (i.e., at the inception of the hedge), the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), its risk management objective and strategy for undertaking the hedge. The documentation includes the identification of each hedging instrument and the respective hedged item, the nature of the risk being hedged and how the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk is to be assessed. Accordingly, the Group formally assesses, both at the inception of the hedge and on an ongoing basis, whether the hedging derivatives have been and will be highly effective in offsetting changes in the fair value attributable to the hedged risk during the period that the hedge is designated.

A hedge is usually regarded as highly effective if, at inception and throughout its life, the Group can expect, and actual results indicate, that changes in the fair value or cash flow of the hedged items are effectively offset by changes in the fair value or cash flow of the hedging instrument. If, at any point, it is concluded that it is no longer highly effective in achieving its documented objective, hedge accounting is discontinued.

Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the derivatives may be designated as either: (i) hedges of the change in fair value of recognized assets or liabilities or firm commitments (fair value hedges); (ii) hedges of the variability in highly probable future cash flows attributable to a recognized asset or liability, or a forecast transaction (cash flow hedges); or (iii) a hedge of a net investment in a foreign operation (net investment hedges). The Group applies cash flow hedge accounting in the subsidiary Nu Pagamentos that is exposed to foreign currency risk (dollar and euro) on forecast transactions, as described below.

(i) Cash flow hedge accounting - The effective portion of changes in the fair value of qualifying cash flow hedges are recognized in other comprehensive income or loss in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. Amounts accumulated in equity are reclassified to the statement of income in the periods in which the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in the statement of income when the forecast transaction is ultimately recognized in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income. The Group is exposed to foreign currency risk on forecast transactions, mainly expenses related to the cost of services, administrative expenses and intercompany expenses.

(ii) Portfolio Hedge - The Group holds portfolios of customers' loan and refinancing of credit cards receivables at fixed interest rates, which creates market risk due to changes of the Brazilian interbank deposits' (CDI) benchmark rate. Thus, to protect the fixed rate risk from CDI variation, the Group entered into future DI contracts to offset the market risk, and applied hedge accounting aiming to eliminate differences between the accounting measurement of its derivatives and hedged items which are adjusted to reflect changes in CDI.

The Group's overall hedging strategy is to reduce fair value changes of a portion of the fixed rate portfolio. As such, in order to reflect the dynamic nature of the hedged portfolio, the strategy is to rebalance the future DI contracts and evaluate the allocated amount by the credit portfolio. Additionally, ineffectiveness could arise from the disparity between expected and actual prepayments (prepayment risk).

In accordance with its hedging strategy, the Group calculates the DV01 (delta value of a basis point) of the exposure and futures to identify the optimal hedging ratio, and monitors in a timely manner the hedge relationship, providing any rebalancing if needed. The need for the purchase or sale of new future DI contracts will be assessed, to counterbalance the hedged item's market value adjustment, aiming to assure hedge effectiveness between 80% and 125%, as determined in the hedge documentation.

The effectiveness test for the hedge is done in a prospective and retrospective way. In the prospective test, the Group compares the impact of a 1 basis point parallel shift on the interest rate curve (DV01) on the hedged item and on the hedge instrument fair value. For the retrospective test, the fair value change since the inception of the hedged item is compared to the hedge instrument. In both cases, the hedge is considered effective if the correlation is between 80% and 125%.

For designated and qualifying fair value hedges, the cumulative change in the fair value of the hedging derivative and of the hedged item attributable to the hedged risk is recognized in the consolidated statement of income in "Interest income and gains (losses) on financial instruments - financial assets at fair value". In addition, the cumulative change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying value of the hedged item in the consolidated statement of financial position.

(iii) Hedge of corporate and social security taxes over share-based compensation - The Group's hedge strategy is to cover the future cash disbursement related to highly probable future transactions and accrued liabilities for corporate and social security taxes at Restricted Stock Units (RSU) vesting or Stock Options (SOP) exercise from the variation of the Company's share price volatility. The derivative financial instruments used to cover the exposure are total return swaps ("TRS") in which one leg is indexed to the Company's stock price and the other leg is indexed to Secured Overnight Financing Rate ("SOFR") plus spread. The stock fixed at the TRS is a weighted average price. The hedge was entered by Nu Holdings and therefore there is no income tax effect.

The Group applies the cash flow hedge for the hedge structure hence the market risk is replaced by an interest rate risk. The effectiveness assessment is performed monthly by (i) assessing the economic relationship between the hedged item and the hedging instrument; (ii) monitoring the credit risk impact in the hedge effectiveness; and (iii) maintaining or updating the hedging ratio. Given the possibility of forfeiture impacting the future cash forecast of the employee benefit plan, the Group under hedges the exposure to reduce the risk of ineffectiveness. The derivative fair value is measured substantially based on the stock price which is also used in the measurement of the provision or payable for corporate and social security taxes, therefore there is no expectation for a mismatch to exist between the hedged item and hedging instrument at maturity other than the SOFR.

Offsetting financial assets and liabilities

Financial asset and liability balances, including derivatives, are offset (i.e., reported in the statements of financial position at their net amount) only if the Group entities have a legally enforceable right to set off the recognized amounts and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group has not offset financial assets or liabilities.

a) Fair value

Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value accounting guidance provides a three-level fair value hierarchy for classifying financial instruments. This hierarchy is based on the markets in which the assets or liabilities trade and whether the inputs to the valuation techniques used to measure fair value are observable or unobservable. The fair value measurement of a financial asset or liability is assigned a level based on the lowest level of any input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are described below:

- **Level 1:** Valuation is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Valuation is based on observable market-based inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- **Level 3:** Valuation is generated from techniques that use significant assumptions, not observable in the market. Valuation techniques include pricing models, discounted cash flow methodologies, or similar techniques.

The degree of management judgment involved in determining the fair value of a financial instrument is dependent upon the availability of quoted prices in active markets or observable market parameters. When quoted prices and observable data in active markets are not fully available, management judgment is necessary to estimate fair value.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, Black-Scholes pricing model and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Changes in market conditions, such as reduced liquidity in the capital markets or changes in secondary market activities, may reduce the availability and reliability of quoted prices or observable data used to determine fair value.

Significant judgment may be required to determine whether certain financial instruments measured at fair value are classified as Level 2 or Level 3. In making this determination, the Group considers all available information that market participants use to measure the fair value of the financial instrument, including observable market data, and Group's understanding of the valuation techniques and significant inputs used. Based upon the specific facts and circumstances of each instrument or instrument category, judgments are made regarding the significance of the Level 3 inputs to the instruments' fair value measurement in its entirety. If Level 3 inputs are considered significant, the instrument is classified as Level 3. The process for determining fair value using unobservable inputs is generally more subjective and involves a high degree of management judgment and assumptions.

The Group has in place controls to ensure that the fair value measurements are appropriate and reliable, including review and approval of new transaction types, price verification, and review of valuation judgments, methods, models, process controls, and results.

The financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy are disclosed in note 30.

b) Accounting for acquisitions

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value, if any, or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

c) Revenue recognition

Interest income and gains (losses) on financial instruments

Interest income on loans, credit card operations (revolving and interest-bearing installment transactions) and short-term investments are calculated using the effective interest method, which allocates interest, and direct and incremental fees and costs over the expected lives of the assets. For the revolving balances, the interest is calculated from the due date of the credit card bill that was not fully paid. Gains (losses) on financial instruments comprises the changes in fair value recognized in the statement of income.

Fee and commission income

Fee and commission income are shown net of federal revenue taxes. The underlying principle applied in revenue recognition is to recognize revenue as the Group transfers goods or services to customers at an amount that the Group expects to be entitled to in exchange for those goods or services.

i) Interchange fees

Interchange fees represent revenues to authorize and provide settlement on credit and debit card transactions processed through the Mastercard networks and are determined as a percentage of the total payment processed. Interchange fees, net of Rewards revenues, are recognized and measured upon recognition of the transaction with the interchange networks, when performance obligation is considered satisfied. The interchange rates agreed with Mastercard are fixed and are dependent on the segment of each merchant. Amount due from Mastercard related to the interchange income is withheld from the amount to be paid to Mastercard.

ii) Rewards revenues

Reward revenue comprises revenues related to the Nu's Rewards subscription fee and the related interchange fee, initially apportioned in accordance with the relative stand-alone selling prices of the performance obligation assumed, as described below in item "Deferred income". It is recorded in the income statement when the performance obligation is satisfied, which is when the reward points are redeemed by the customers.

iii) Recharge fees

Recharge fees are recognized at the date the customers acquire the right to the telecom services and comprises the selling price of telecom prepaid cards to customers, net of its acquisition costs.

d) Cash and cash equivalents

Cash and cash equivalents include (i) bank deposits in local institutions and abroad and highly liquid short-term investments with original maturities up to 90 days, convertible into a known amount of cash, subject to insignificant risk of change in value and used for cash management of short-term commitments and not for investment and financing purposes; and (ii) balances with central banks which are part of the Group's liquidity management activities.

e) Credit card receivables

Credit card receivables are reported at their amortized cost, net of the credit card ECL allowance.

Chargebacks refer to the amounts disputed by clients generally due to fraud transactions on the Mastercard network process. Losses are recorded based on the estimated amount expected to be reduced from the Group's client's receivables when the event impacting the client occurred on activities that the Group is responsible for on the referred network.

f) Loans to customers

Loans to customers are related to Nu's unsecured and secured loan products. Loans are reported at their amortized cost, which is the outstanding principal balance, adjusted for any unearned income, unamortized deferred fees and costs, unamortized premiums and discounts, and charge-offs. Loans are reported net of the estimated uncollectible amount (loan ECL allowance).

g) Compulsory and other deposits at central banks

Compulsory deposits and reserves are the amount required by the Central Bank of Brazil (BACEN) based on the amount of Bank certificate of deposit (CDB) and Bank Receipt of Deposits (RDB) held by Nu or to support instant payments operations (PIX).

h) Leasing

The Group as a lessee

For any new contracts entered on or after January 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, which conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three criteria, which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain all of the economic benefits from use of the identified asset throughout the period of use substantially, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group recognizes lease liabilities as those which correspond to the total future payment at present value of the future lease payments with a discounted rate and a right-of-use assets, measured initially at cost value.

Subsequently, the asset is reduced by the accumulated depreciation and any impairment losses or re-measurement, when applicable. The liability is reduced by the payments made and by the interest on the payment flows.

The accumulated depreciation and impairment losses are classified as "General and administrative expenses" in the consolidated statement of income.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes on in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

i) Investments in associates

Associates are companies in which Nu has a significant influence, but not control, characterized by representation on the Board of Directors, participation in decisions about dividends or other distributions and provision of essential technical information.

Investments in associates are accounted for under the equity method, that is, initially recognized at cost, including transactions costs, and the carrying amount is subsequently increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

j) Property, plant and equipment and intangible assets

Property, plant, and equipment are measured at historical cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset and are depreciated from the date they are available for use. Depreciation is calculated to amortize the cost of items of property, plant, and equipment less their estimated residual values using the linear method based on the useful economic life of the items and is reviewed annually and adjusted prospectively if appropriate.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets, including software and other assets, are recognized if they arise from contractual or other legal rights or if they are capable of being separated or divided from the Group and sold, transferred, licensed, rented, or exchanged. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and are annually evaluated for impairment, or whenever events or changes in circumstances indicate the existence of an impairment.

Directly attributable expenditures related to internally generated intangible assets, mainly related to the development of new features and/or products, are capitalized from the date on which the entity is able to demonstrate, among others, its technical feasibility, intention to complete, ability to use and can reasonably demonstrate probable future economic benefits.

Expenditures for improvements in third-party real estate are amortized over the term of the property lease.

The useful life of property, plant, and equipment and intangible assets items are as follows:

Furniture and other office equipment	10 years
Computer equipment	5 years
Software and internally developed assets	5 years

Intangible assets arising from business combinations have specific useful lives, determined during purchase price allocation procedures.

k) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for any non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Goodwill is not amortized but is tested for impairment annually or more frequently if adverse circumstances indicate that it is more likely than not that the carrying amount exceeds its fair value. These indicators could include a sustained, significant decline in the Company's stock price, a decline in expected future cash flows, significant disposition activity, a significant adverse change in the economic or business environment, and the testing for recoverability of a significant asset group, among others.

l) Impairment of non-financial assets

Annually, or more frequently when events or changes in circumstances dictate, property, plant and equipment and intangible assets with a defined useful life are assessed for indicators of impairment. If indications are present, these assets are subject to an impairment review.

The carrying values of property, plant and equipment, goodwill and other intangible assets are written down by the amount of any impairment and the loss is recognized in the statement of income in the period in which it occurs. A previously recognized impairment loss relating to property, plant and equipment and intangible assets may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the property, plant, and equipment and intangible assets recoverable amount. The carrying amount of the property, plant and equipment and intangible assets will only be increased up to the amount that would have been had the original impairment not been recognized.

m) Other assets

Other assets include the amount of assets not recorded in other items, including prepaid expenses and deferred expenses. Deferred expenses are mostly related to certain issuance costs incurred on the credit and debit card operations, such as embossing and shipping costs, among others. Card issuance costs are amortized over the card's expected life, adjusted for any cancellations.

n) Deposits

Corresponds to amounts deposited by customers mainly in:

- (i) NuAccount;
- (ii) Bank Receipt of Deposits ("RDB") and Linked Bank Receipt of Deposits ("RDB-V");
- (iii) Time deposits;
- (iv) Bank certificate of deposit (CDB); and
- (v) Other deposits.

For those deposits, the interest expense is recognized using the effective interest rate method.

o) Payables to network

Payables to networks correspond to financial liabilities recognized at amortized cost to be paid through clearing houses to the credit card brand Mastercard and to other clearing houses that are also part of the credit card network.

p) Borrowings and financing

Correspond to borrowings obtained with third parties that are initially recognized at cost and subsequently at amortized cost using the effective interest rate.

q) Deferred income

Primarily comprises revenues related to the rewards program which is initially apportioned, from the interchange and reward fees charged to customers, in accordance with the relative stand-alone selling prices of the performance obligation assumed. The revenues apportioned are recorded as deferred income until it is recorded in the income statement when the performance obligation is satisfied. Deferred income also contains amounts related to the rewards fees which are paid annually or monthly by customers until they are earned by the Group and are included on the rewards revenue apportion calculation.

The Group evaluates the deferred income amount and the assumptions based on developments in redemption patterns, changes to the terms and conditions of the rewards program and other factors.

r) Provisions and contingent assets and liabilities

Provisions are recognized to cover present obligations at the reporting date arising from past events which could give rise to a loss for the Group, which is considered probable to occur and certain as to its nature but uncertain as to its amount and/or timing.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Contingent liabilities also include possible obligations of the Company and its subsidiaries for which it is not probable that an outflow of resources embodying economic benefits will be required to settle them and, therefore, the Group does not recognize a liability. Instead, the Group discloses in the financial statements the contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Contingent assets are not recognized in the consolidated statement of financial position or in the consolidated statement of income, but rather are disclosed in the notes, provided that it is probable that these assets will give rise to an increase in resources embodying economic benefits.

These consolidated financial statements include all the material provisions with respect to which it is considered that it is probable to occur and to be settled. Provisions are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at each reporting period and are fully or partially reversed when such obligations cease to exist or are reduced.

s) Provision for lawsuits and administrative proceedings

The Company and its subsidiaries are subject to certain court and administrative proceedings arising from the ordinary course of their operations. Those proceedings are classified according to their likelihood of loss as:

- **Probable:** liabilities are recognized on the consolidated statements of financial position as “provision for lawsuits and administrative proceedings”;

- **Possible:** disclosed in the financial statements, but for which no provision is recognized; and
- **Remote:** require neither provision nor disclosure on the financial statements.

For civil cases, the Company has a methodology for calculating provisions on a collective basis, estimating the probable losses. These estimates are based on the Group statistical evaluation of information related to lawsuits filed against the Company, considering the historical average costs per case closed in the last 12 months, and the average cost is applied to each of the ongoing cases in our portfolio of similar cases.

The amount of judicial deposits is adjusted in accordance with current legislation and recognized in the other assets.

t) Other liabilities

Other liabilities include the balances of any other liabilities not included in other categories.

u) Share premium reserve

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. The share premium account can only be used for limited purposes.

v) Share-based payments

The Group maintains a long-term incentive plan, structured through grants of Stock Options ("SOPs"), Restricted Stock Units ("RSUs") and awards linked to market conditions ("Awards"). Since 2020, employee incentives have been granted solely through the receipt of common stock (Restricted Stock Units - "RSUs") after the vesting period. The objective is to provide to the Group's employees the opportunity to become shareholders of the Company, creating greater alignment of the interests of key employees with those of shareholders and allowing the Group to attract and retain key employees. These share-based payments are classified as equity-settled share-based payment transactions.

Share-based payments expenses are recorded based on the fair value at the grant date. Following the Initial Public Offering ("IPO") that took place in December 2021, the fair value is determined based on the publicly traded share price. The fair values of SOPs, RSUs and Awards granted are recognized as an expense over the period in which they vest for SOP and RSUs or expected to vest for Awards. The vesting requirements are basically related to the passage of time for SOPs and RSUs and market conditions and passage of time for Awards. The Group recognizes the expenses considering the individual vesting tranches of the SOPs and RSUs.

The Group revises its estimate of the number of SOPs and RSUs that will vest based on the historical experience at each reporting period. The Group recognizes the impact of the revision to original estimates, if any, in the statement of income and the accumulated loss reserve in equity. The Awards' expected vesting period is not subsequently revised, and the expenses are recorded irrespective of whether that market condition is satisfied.

w) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are incurred as an expense as the corresponding service is provided. The liability is recognized for the amount expected to be paid for the short-term if there is a present legal or constructive obligation to pay and if the amount can be estimated reliably.

x) Income taxes, including deferred taxes

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognized as an expense in the period in which profits arise. The tax expense represents the sum of the income tax currently payable and deferred income tax.

Nu Holdings is incorporated in the Cayman Islands which does not impose corporate income taxes or tax capital gains. In Brazil, the country in which the Group’s most significant subsidiaries operate, income tax is comprised of IRPJ (income tax for companies) and CSLL (social contribution on profits), with rates as shown below.

Tax	Rate (2024)	Rate (2023)
Income tax - IRPJ	15% plus a surcharge of 10% on taxable income exceeding R\$240 thousand per year	15% plus a surcharge of 10% on taxable income exceeding R\$240 thousand per year
Social contribution - CSLL	15%	15%

Taxable profit differs from net profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current tax liability for the current or prior period is measured at the amount expected to be paid to the tax authorities. The Group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Group considers probable that the taxation authority will accept an uncertain tax treatment, the Group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. When the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the effect of uncertainty is reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates using either of the following methods:

- the most likely amount - the single most likely amount in a range of possible outcomes or;
- the expected value - the sum of the probability-weighted amounts in a range of possible outcomes.

Deferred income tax is the tax expected to be payable or recoverable on income tax losses available to carry forward and on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary taxable differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the assets may be utilized as they reverse.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of income, except when it relates to items recognized in other comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity.

The Group reviews the carrying amount of deferred tax assets at each balance sheet date and reduces it to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax relating to fair value re-measurements of financial instruments accounted for at FVTOCI and cash flow hedging instruments is charged or credited directly to other comprehensive income and is subsequently recognized in the statement of income when the deferred fair value gain or loss is recognized in the statement of income.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

y) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year, which excludes treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with potentially dilutive ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all potentially dilutive ordinary shares.

5. Significant accounting judgments, estimates and assumptions

Use of estimates and judgments

The preparation of financial statements requires judgments, estimates, and assumptions from management that affect the application of accounting policies, and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on a periodic basis. Revisions to the estimates are recognized prospectively.

a) Credit loss on financial instruments for credit card receivables and loans to customers

The Group recognizes a loss allowance for expected credit loss on credit cards receivables and loans to customers that represents management's best estimate of allowance as of each reporting date.

Management performs an analysis of the credit card and loan amounts to determine if credit loss has occurred and to assess the adequacy of the allowance based on historical and current trends as well as other factors affecting credit loss.

Key areas of judgment

The critical judgments made by management in applying the expected credit loss ("ECL") allowance methodology is:

- a) The macroeconomic information used to gauge the determination of the probability weights to be given in the different macroeconomic scenarios and the respective weights;

- b) Definition of default;
- c) Definition of significant increase in credit risk and credit card lifetime; and
- d) Look-back period, used for parameters estimation (probability of default - PD, exposure at default - EAD and loss given default - LGD).

Sensitivity analysis

On December 31, 2024, the ECL allowance for credit card receivables and loans to customers totaled US\$3,184,096 of which US\$2,389,526 related to credit card receivables and US\$794,750 to loans to customers. The ECL allowance is sensitive to the methodology, assumptions and estimations underlying its calculation. One key assumption is the probability weighting of the macroeconomic scenarios between upside, base and downside as the carrying amount of the credit loss allowance is determined based on the weighted average of these scenarios. Such weightings reflect management's perception around the current and future expectations of the macroeconomic environment in each of the geographies the Group operates. The table below illustrates the ECL based on the weighted average of these three macroeconomic scenarios and the ECL that would have arisen if management had applied a 100% weighting to each macroeconomic scenario.

	Weighted average	Upside	Base case	Downside
Credit card and loan ECL	3,184,096	2,957,096	3,136,244	3,453,760

Key elements for estimates

The estimate that has a significant risk of resulting in a significant adjustment to the amount of expected credit loss allowance is:

- a) The relationship of the observed losses and the past macroeconomic scenarios.

b) Goodwill impairment analysis

For the purposes of impairment testing, goodwill was allocated to the investment activities cash-generating unit ("CGU"). Impairment tests were performed on September 30, 2024 and no adjustment to the recoverable amount for the goodwill was recorded since the recoverable amounts of CGU were determined to be higher than its carrying amount. Up to December 31, 2024, no events or circumstances that could be indicators of impairment were identified.

The recoverable amounts for the CGU have been calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs' assets and their ultimate disposal.

Key areas of judgment

The values assigned to the key assumptions represent management's assessment of future trends in the relevant sector and have been based on historical data from both external and internal sources.

The discount rate used was the cost of equity for business in Brazil where the activities from the acquired entities are concentrated. Cash flow projections for the Investments activities CGU were included in the discounted cash flow model. A long-term growth rate was used to extrapolate the cash flows beyond these periods. The growth rate into perpetuity has been determined as the currently expected long term inflation rate for Brazil.

Revenue growth was projected considering the average growth levels experienced over the past five years and the estimated growth for the next five years. Budgeted profit before taxes, depreciation and amortization was based on expectations of future outcomes considering past experience, adjusted for the anticipated revenue growth. These key assumptions may change as economic and market conditions change.

The estimated recoverable amount of all CGUs exceeded their carrying amount on September 30, 2024. The carrying amount and main assumptions used in determining the recoverable amounts are:

CGU	Carrying amount (US\$ million)	Goodwill (US\$ million)	Discount rate (%)	Growth rate (%)
Investments activities CGU	518.9	353.4	16.0	3.6

d) Provision for lawsuits and administrative proceedings

The Group and its subsidiaries are parties to lawsuits and administrative proceedings. Provisions are recognized for all cases representing reasonably estimated probable losses. The assessment of the likelihood of loss considers available evidence, the hierarchy of laws, former court decisions, and their legal significance, as well as legal counsel's opinion.

The provision mainly represents management's best estimate of the Group's future liability in respect of civil and labor complaints. Significant judgment by management is required in determining appropriate assumptions, which include the level of complaints expected to be received, of those, the number that will be upheld, and redressed (reflecting legal and regulatory responsibilities, including the determination of liability and the effect of the time bar). The complexity of such matters often requires the input of specialist professional advice in making assessments to produce estimates.

The amount that is recognized as a provision can also be susceptible to the assumptions made in calculating it. This gives rise to a broad range of potential outcomes that require judgment in determining an appropriate provision level. The Group believes its valuation methods of contingent liabilities are appropriate and consistent through the periods.

e) Fair value of financial instruments

The fair value of financial instruments, that can include derivatives that are not traded in active markets and convertible embedded derivatives, is calculated by the Group by using valuation techniques based on assumptions that consider market information and conditions.

The degree of management judgment involved in determining the fair value of a financial instrument is dependent upon the availability of quoted prices in active markets or observable market parameters. When quoted prices and observable data in active markets are not fully available, management judgment is necessary to estimate fair value.

Changes in market conditions, such as reduced liquidity in the capital markets or changes in secondary market activities, may reduce the availability and reliability of quoted prices or observable data used to determine fair value. Management's significant judgment may be required to determine whether certain financial instruments measured at fair value are classified as Level 2 or Level 3. For this determination, the Group considers all available information that market participants use to measure the fair value of the financial instrument, including observable market data, indications of market liquidity and orderliness, and the understanding of the valuation techniques and significant inputs used.

Based upon the specific facts and circumstances of each instrument or instrument category, judgments are made regarding the significance of the Level 3 inputs to the instruments' fair value measurement in its entirety. If Level 3 inputs are considered significant, the instrument is classified as Level 3. The process for determining fair value using unobservable inputs is generally more subjective and involves a high degree of management judgment and assumptions.

More information about the significant unobservable inputs and other information are disclosed in note 30.

f) Investments in associates

Judgment by Management is required in determining if Nu has significant influence, which is characterized by representation on the Board of Directors, participation in decisions about dividends or other distributions and provision of essential technical information.

6. Income and related expenses

a) Interest income and gains (losses) on financial instruments

	2024	2023	2022
Interest income – credit card	3,802,366	2,521,892	1,014,875
Interest income – loan	3,038,663	1,650,321	932,196
Interest income – other assets at amortized cost	1,278,980	851,237	388,736
Interest income – other receivables	324,196	398,536	161,004
Interest income and gains (losses) - financial instruments at fair value	1,287,991	973,029	1,087,619
Other income at fair value	(101,153)	44,697	(29,217)
Total interest income and gains (losses) on financial instruments	9,631,043	6,439,712	3,555,213

The interest income presented above from credit card, loan, other assets at amortized cost and other receivables represents interest revenue calculated using the effective interest method. Financial assets at fair value comprise interest and the fair value changes on financial assets carried at fair value.

b) Fee and commission income

	2024	2023	2022
Interchange fees	1,380,577	1,187,857	917,373
Late fees	287,483	180,688	104,499
Recharge fees	36,710	48,711	77,469
Insurance commission	29,098	24,394	-
Rewards revenue	27,240	24,313	22,438
Other fee and commission income	124,924	123,301	115,239
Total fee and commission income	1,886,032	1,589,264	1,237,018

Fee and commission income are presented by fee types that reflect the nature of the services offered by the Group.

Recharge fees comprise the selling price of prepaid credit for mobile top ups to customers, net of acquisition costs.

c) Interest and other financial expenses

	2024	2023	2022
Interest expense on deposits	2,342,227	1,723,839	1,407,898
Interest expense on debt instruments and financing	259,430	136,423	-
Other interest and similar expenses	233,202	176,663	140,005
Interest and other financial expenses	2,834,859	2,036,925	1,547,903

d) Transactional expenses

	2024	2023	2022
Bank slip costs	20,213	23,953	33,963
Rewards expenses	68,500	58,304	42,422
Credit and debit card network costs	63,360	52,199	54,987
Financial system expenses	14,995	23,063	-
Other transactional expenses	93,256	58,411	45,055
Total transactional expenses	260,324	215,930	176,427

Transactional expenses comprise amounts related to data processing for transactions, payment scheme license fees, losses from chargeback relating to the credit and debit card transactions, costs relating to the rewards program to fulfill the redemption of the points by customers, and other costs related to payments.

Credit and debit card network costs are related to the payment programs license, which is a variable fee paid to Mastercard and other card programs to enable communications between network participants, access to specific reports, expenses related to projects involving the development of new functions, operational fixed fees, fees related to chargeback restatements and royalties.

Financial system expenses include financial infrastructure services related to clearing houses, custody, brokerage, among others.

7. Credit loss allowance expenses

	2024	2023	2022
Net increase of loss allowance - Credit card receivables (note 13)	2,211,862	1,849,706	939,079
Recovery	(192,415)	(158,747)	(31,491)
Credit loss allowance expenses - Credit card receivables	2,019,447	1,690,959	907,588
Net increase of loss allowance - Loan to customers (note 14)	1,257,358	634,356	501,843
Recovery	(107,646)	(43,683)	(4,520)
Credit loss allowance expenses - Loan to customers	1,149,712	590,673	497,323
Credit loss allowance expenses - Others	(176)	3,586	-
Total	3,168,983	2,285,218	1,404,911

8. Operating expenses

	2024				
	Customer support and operations	General and administrative expenses	Marketing expenses	Other income (expenses)	Total
Infrastructure and data processing costs	(233,845)	(195,064)	-	-	(428,909)
Credit analysis and collection costs	(111,864)	(35,994)	-	-	(147,858)
Customer services	(92,615)	(6,342)	-	-	(98,957)
Salaries and associated benefits	(74,253)	(349,910)	(18,310)	-	(442,473)
Credit and debit card issuance costs	(31,403)	(43,653)	-	-	(75,056)
Share-based compensation (note 10)	(12,055)	(351,431)	(9,183)	-	(372,669)
Specialized services expenses	-	(77,231)	-	-	(77,231)
Other personnel costs	(21,018)	(53,839)	(2,201)	-	(77,058)
Depreciation and amortization	(27,485)	(49,643)	-	-	(77,128)
Branding and advertising	-	-	(216,702)	-	(216,702)
Taxes on financial income	-	-	-	(341,990)	(341,990)
Others	(105)	(92,979)	-	(8,596)	(101,680)
Total	(604,643)	(1,256,086)	(246,396)	(350,586)	(2,457,711)

	2023				
	Customer support and operations	General and administrative expenses	Marketing expenses	Other income (expenses)	Total
Infrastructure and data processing costs	(186,651)	(174,557)	-	-	(361,208)
Credit analysis and collection costs	(89,293)	(41,316)	-	-	(130,609)
Customer services	(80,866)	(7,491)	-	-	(88,357)
Salaries and associated benefits	(72,478)	(300,559)	(20,994)	-	(394,031)
Credit and debit card issuance costs	(27,137)	(55,396)	-	-	(82,533)
Share-based compensation (note 10)	(2,770)	(251,769)	(1,075)	-	(255,614)
Specialized services expenses	-	(61,404)	-	-	(61,404)
Other personnel costs	(15,675)	(46,251)	(2,298)	-	(64,224)
Depreciation and amortization	(13,072)	(49,823)	-	-	(62,895)
Branding and advertising	-	-	(138,656)	-	(138,656)
Taxes on financial income (i)	-	-	-	(229,726)	(229,726)
Others	(140)	(53,724)	(7,999)	(20,705)	(82,568)
Total	(488,082)	(1,042,290)	(171,022)	(250,431)	(1,951,825)

(i) Previously presented under “others” line.

	2022				Total
	Customer support and operations	General and administrative expenses	Marketing expenses	Other income (expenses)	
Infrastructure and data processing costs	(132,163)	(144,341)	-	-	(276,504)
Credit analysis and collection costs	(54,239)	(39,773)	-	-	(94,012)
Customer services	(74,438)	(9,559)	-	-	(83,997)
Salaries and associated benefits	(48,661)	(275,117)	(15,430)	-	(339,208)
Credit and debit card issuance costs	(13,174)	(43,689)	-	-	(56,863)
Share-based compensation (note 10)	-	(286,450)	-	-	(286,450)
Specialized services expenses	-	(39,842)	-	-	(39,842)
Other personnel costs	(8,553)	(41,494)	(1,425)	-	(51,472)
Depreciation and amortization	(3,965)	(31,616)	-	-	(35,581)
Branding and advertising	-	-	(136,142)	-	(136,142)
Taxes on financial income (i)	-	-	-	(120,399)	(120,399)
Others	(170)	(65,813)	-	(29,865)	(95,848)
Total	(335,363)	(977,694)	(152,997)	(150,264)	(1,616,318)
Share-based compensation - contingent share award termination (10b)	-	(355,573)	-	-	(355,573)
Total	(335,363)	(1,333,267)	(152,997)	(150,264)	(1,971,891)

(i) Previously presented under “others” line.

Infrastructure and data processing costs include technology, non-capitalized software costs, and other related costs, primarily related to the cloud infrastructure used by the Group and other software used in the service of the customers. These costs associated exclusively with customer's transactions are presented as "Customer support and operations" and the remaining costs as "General and Administrative expenses". The software costs related to developing new modules are recognized as intangible assets.

Credit analysis and collection costs include fees paid to the credit bureaus and costs related to collection agencies. The credit analysis costs associated with the initial credit analysis of an applicant is presented as "General and administrative expenses" and the remaining is presented as "Customer support and operations".

Customer services primarily include costs with customer services provided by service providers. These costs exclusively related to acquisition of new clients are presented as "General and administrative expenses" and all others are presented as "Customer support and operations".

Salaries and associated benefit expenses for customer services employees not associated with the acquisition of new clients is presented as "Customer support and operations" and salaries and associated benefit expenses for marketing employees is presented as "Marketing expenses". All activities from other employees and the activities related to acquisition of new clients performed by customer service employees is presented as "General and administrative expenses".

Credit and debit card issuance costs include printing, packing, shipping costs and other costs. Costs related to the first issued card to a customer are initially recorded as a "Deferred expenses" asset included in "Other assets" and then amortized. The amortization related to the first card of the customer is presented as "General and administrative expenses" and the remaining costs, including the ones related to subsequent cards, are presented as "Customer support and operations".

Taxes on financial income include federal taxes on financial revenue, such as interest income and gains on financial instruments and similar financial activities according to Brazilian tax rules.

9. Earnings per share

	2024	2023	2022
Profit attributable to ordinary shareholders	1,972,112	1,030,530	(364,578)
Weighted average outstanding shares - ordinary shares - basic (thousands)	4,792,081	4,738,841	4,676,977
Adjustment for the diluted earnings per share:			
Share based payment	92,235	112,823	-
Business acquisition	4,602	5,915	-
Total weighted average of ordinary outstanding shares for diluted EPS (in thousands of shares)	4,888,918	4,857,579	4,676,977
Earnings per share – basic (US\$)	0.4115	0.2175	(0.0780)
Earnings per share – diluted (US\$)	0.4034	0.2121	(0.0780)
Antidilutive instruments not considered in the weighted number of shares (in thousands of shares)	2,808	4,143	184,362

The Company has instruments that will become common shares upon exercise, acquisition, conversion (SOPs and RSUs described in note 10), or satisfaction of specific business combination conditions. The effects of the potentially dilutive instruments were calculated using the treasury stock method and are included in the total weighted average of ordinary outstanding shares for diluted earnings per share ("EPS") if the effects are considered dilutive. The antidilutive instruments not considered in the weighted number of shares correspond to the total number of shares that could be converted into ordinary shares that would be issued on conversion of those instruments. Instruments are considered antidilutive if the average market value of ordinary shares during the period is less than the average value of the assumed proceeds (fair value of services that will be recognized as a cost in future periods plus exercise price multiplied by the number of options and shares to be issued on exercise of the options).

10. Share-based payments

a) Share-settled awards

The Group's employee incentives include share settled awards in the form of offering them the opportunity to purchase ordinary shares by exercising options (Stock Options - "SOPs") and receiving ordinary shares (Restricted Stock Units – "RSUs") upon vesting, and receiving shares upon the achievement of market conditions and passage of time ("Awards").

The cost of the employee services received with respect to those share-based compensation payments is recognized in the statement of income over the period that the employee provides services and according to the vesting conditions. The Group also issued Awards in 2020 that grant shares upon the achievement of market conditions related to the valuation of the Company. RSUs incentive was implemented in 2020 and has been the main incentive since then.

RSUs are issued as part of the performance cycle and as a signing bonus. Over time, SOPs and RSUs have been issued with different vesting periods. Once vested, the options can be exercised up to 10 years after the grant date. There were no changes to the terms and conditions of the SOPs, RSUs, and other transactions after the grant date.

The overall cost of the grants is calculated using the number of SOPs and RSUs expected to vest and their fair values at the date of the grant. The number of SOPs and RSUs expected to vest considers the likelihood that service conditions included in the terms of the awards will be met and it is based on historical and future prospective forfeiture. Failure to meet the vesting condition is treated as a forfeiture, resulting in a true-up for the costs and no further recognition of the expense.

The terms and conditions of the RSUs plans require the Group to withhold shares from the settlement to its employees to settle the employee's tax obligation. Accordingly, the Group settles the transaction on a net basis by withholding the number of shares with a fair value equal to the monetary value of the employee's tax obligation and issues the remaining shares to the employee on the vesting date. The employee's tax obligation associated with the RSUs is calculated substantially based on the expected employee's personal tax rate and the fair value of the shares on the vesting date. In addition, for the countries where the Group is required to pay taxes and social security taxes over vested RSUs, the Group recognizes expenses related to corporate and social security taxes on the applicable awards, calculated mainly by applying the taxes rates to the fair value of the ordinary shares at the reporting dates, and presents them as "Share-based compensation" between "Customer support and operations", "General and administrative expenses" and "Marketing expenses" in the consolidated statements of profit or loss.

There were no changes to the terms and conditions of the SOPs and RSUs after the grant date.

The changes in the number of SOPs and RSUs are as follows. WAEP is the weighted average exercise price and WAGDFV is the weighted average fair value at the grant date.

SOPs	2024	WAEP (US\$)	2023	WAEP (US\$)	2022	WAEP (US\$)
Outstanding on January 1	59,942,062	1.04	101,276,327	0.72	143,889,439	0.55
Exercised during the year	(23,795,083)	0.15	(39,100,504)	0.21	(37,095,966)	0.12
Forfeited during the year	(209,061)		(2,233,761)		(5,517,146)	
Outstanding on December 31	35,937,918	1.58	59,942,062	1.04	101,276,327	0.72
Exercisable on December 31	35,771,297	1.58	53,561,964	0.94	81,813,095	0.55

RSUs	2024	WAGDFV (US\$)	2023	WAGDFV (US\$)	2022	WAGDFV (US\$)
Outstanding on January 1	66,512,061	5.66	72,401,895	5.46	80,924,937	4.82
Granted during the year	27,823,420	11.33	35,823,472	4.97	32,294,522	5.47
Vested during the year	(29,598,948)	6.22	(29,212,440)	4.45	(27,322,614)	3.64
Forfeited during the year	(4,821,079)		(12,500,866)		(13,494,950)	
Outstanding on December 31	59,915,454	7.92	66,512,061	5.66	72,401,895	5.46

The following tables present the total amount of share-based compensation expense and the provision for taxes as of December 31, 2024, 2023 and 2022.

	2024	2023	2022
SOP and RSU expenses and related corporate and social security taxes expenses	393,788	256,103	126,167
RSUs and SOPs grant - business combination	5,480	13,400	43,116
Awards expenses and related taxes	8,936	19,814	113,172
Fair value adjustment - hedge of corporate and social security taxes (note 20)	(35,535)	(33,703)	3,995
Total share-based compensation expenses (note 8)	372,669	255,614	286,450
Equity share-based compensation, net of shares withheld for employee taxes	170,252	160,309	201,991

	2024	2023	2022
Liability provision for taxes presented as salaries, allowances and social security contributions	88,139	66,075	32,554

In 2024, 2023 and 2022, there were no SOPs granted. The following table presents additional information relating to the SOP characteristics and the valuation model:

	2024	2023	2022
Weighted average share price at the date of exercise of options during the year (US\$)	12.38	6.37	7.72
Weighted Average remaining contractual life of options outstanding at year-end	4.79	4.78	4.80
Range of exercise prices of options outstanding at year end (US\$)			
Zero to US\$ 0.10	8.67%	28.65%	45.07%
US\$ 0.11 to US\$ 0.50	30.51%	32.63%	28.20%
US\$ 0.51 to US\$ 15.00	60.82%	38.72%	26.73%
Greater than US\$ 15.01	-	-	-
Total cash to be received upon exercise of SOPs outstanding at year end			
Vested	56,392	50,403	44,849
Unvested	320	12,125	28,169

The following table presents additional information related to the RSUs and Awards characteristics and the valuation model:

	2024	2023
Most relevant vesting periods for the grants outstanding		
3 years	53.82%	55.81%
5 years	37.32%	34.69%
Weighted-Average awards vesting period	3.1 years	3.8 years

b) Contingent Share Award (CSA) termination

On November 29, 2022, Mr. David Vélez, the Company's Chief Executive Officer, terminated the 2021 Contingent Share Award. As a result of the termination, the Company recorded expenses of US\$355,573 due to the acceleration of the vesting. After such one-time recognition, the Company has not been recognizing accounts for any expense associated with the 2021 Contingent Share Award. Such termination did not impact the Company's cash flows and did not create any dilution for the Company's shareholders.

	2024	2023	2022
Contingent share award termination	-	-	355,573

11. Cash and cash equivalents

	2024	2023
Voluntary deposits at central banks	4,781,039	3,308,040
Reverse repurchase agreement	2,291,807	61
Bank balances	1,943,399	1,759,018
Short-term investments	169,488	854,846
Other cash and cash equivalents	9	1,475
Total	9,185,742	5,923,440

Cash and cash equivalents are held to meet short-term cash needs and include deposits with banks and other short-term highly liquid investments with original maturities of three-months or less and with an immaterial risk of change in value.

Voluntary deposits at central banks are deposits made by the Brazilian and Colombia subsidiaries at the local central banks. The average rate of remuneration as of December 31, 2024 and 2023, was 100.0% of the Brazilian CDI rate and 8.5% of the monetary policy rate set by Central Bank of Colombia, with daily maturity.

Reverse repurchase agreements are mainly in Mexican pesos, using government bonds as collateral. The agreements are executed overnight with an average fixed rate of 10.3% per year as of December 31, 2024 (as of December 31, 2023, the amount was mainly in Brazilian Reais and the average fixed-rate of 11.6% per year).

Short-term investments are mainly in Brazilian Reais, and the average rate of remuneration as of December 31, 2024 was 100% of the Brazilian CDI rate (as of December 31, 2023, the amount was mainly in U.S. dollars and the average fixed-rate index was 3.2% per year).

12. Securities

a) Financial instruments at fair value through profit and loss ("FVTPL")

	2024					2023
	Amortized Cost	Fair Value	Maturities			Fair Value
Financial instruments at FVTPL			No maturity	Up to 12 months	Over 12 months	
Government bonds						
Brazil	492,010	492,552	-	209,508	283,044	309,353
Total government bonds	492,010	492,552	-	209,508	283,044	309,353
Corporate bonds and other instruments						
Bill of credit (LC)	10	10	-	2	8	1
Certificate of bank deposits (CDB)	1,322	1,365	-	850	515	5,770
Real estate and agribusiness letter of credit	1,282	1,283	-	965	318	186
Corporate bonds and debentures	7,277	5,904	-	-	5,904	23,667
Equity instrument (i)	12,148	12,900	12,900	-	-	13,199
Investment funds	100,180	100,199	100,199	-	-	16,164
Notes	50,050	51,029	-	51,029	-	-
Real estate and agribusiness certificate of receivables	-	-	-	-	-	234
Total corporate bonds and other instruments	172,269	172,690	113,099	52,846	6,745	59,221
Total financial instruments at FVTPL	664,279	665,242	113,099	262,354	289,789	368,574

Financial instruments at FVTPL	2024		2023	
	Amounts in		Amounts in	
	Original Currency	US\$	Original Currency	US\$
Currency:				
Brazilian Reais	3,691,084	597,882	1,681,223	346,130
U.S. Dollars	54,460	54,460	9,241	9,241
Others (i)	1,103,724	12,900	1,098,602	13,203
Total		665,242		368,574

(i) Refers to an investment in Jupiter, a neobank for consumers in India and an investment in Din Global ("dBank"), a Pakistani fintech company. As of December 31, 2024, the total fair value of these investments corresponded to US\$12,900 (US\$13,199 on December 31, 2023), classified as level 3 in the fair value hierarchy, as described in note 30.

b) Financial instruments at fair value through other comprehensive income ("FVTOCI")

	2024					2023
			Maturities			
Financial instruments at FVTOCI	Amortized Cost	Fair Value	No maturity	Up to 12 months	Over 12 months	Fair Value
Government bonds (i)						
Brazil	7,818,364	7,832,502	-	22,050	7,810,452	7,166,551
United States of America	176,818	177,006	-	15,747	161,259	126,914
Mexico	419,265	419,159	-	417,755	1,404	1,407
Colombia	28,023	28,023	-	-	28,023	-
Total government bonds	8,442,470	8,456,690	-	455,552	8,001,138	7,294,872
Corporate bonds and other instruments						
Corporate bonds and debentures	1,125,489	1,120,206	-	45,978	1,074,228	1,243,841
Investment funds	23,221	23,221	-	23,221	-	54,803
Time deposit	304,100	303,970	-	287,447	16,523	194,390
Real estate and agribusiness certificate of receivables	9,289	9,430	-	-	9,430	17,839
Total corporate bonds and other instruments	1,462,099	1,456,827	-	356,646	1,100,181	1,510,873
Total financial instruments at FVTOCI	9,904,569	9,913,517	-	812,198	9,101,319	8,805,745

Financial instruments at FVTOCI	2024		2023	
	Amounts in		Amounts in	
	Original Currency	US\$	Original Currency	US\$
Currency:				
Brazilian Reais	56,819,567	9,203,636	37,333,260	7,686,169
U.S. Dollars	262,699	262,699	1,118,169	1,118,169
Mexican Pesos	8,729,908	419,159	23,880	1,407
Colombian Pesos	123,458,969	28,023	-	-
Total		9,913,517		8,805,745

(i) Includes US\$51,128 (US\$23,050 on December 31, 2023) held by the subsidiaries for regulatory purposes, as required by the Central Bank of Brazil. It also includes government bonds and time deposits securities margins pledged by the Group for transactions on stock exchange in the amount of US\$350,193 (US\$130,150 on December 31, 2023). Government bonds are classified as Level 1 in the fair value hierarchy, as described in note 30.

The Group has corporate bonds and debentures classified as FVTOCI, for which it has recorded a reduction of ECL in the amount of US\$184 for the year ended December 31, 2024 and the exposure was classified as Stage 1. There was no transfer between stages during the year ended on December 31, 2024.

c) Financial instruments at amortized cost

	2024			2023
	Amortized Cost	Maturities		Amortized Cost
		Up to 12 months	Over 12 months	
Financial instruments at amortized cost				
Government bonds				
Colombia	208,641	-	208,641	52,650
Mexico	336,255	336,255	-	-
Spain	197,645	-	197,645	-
Korea	138,897	138,897	-	-
Total government bonds	881,438	475,152	406,286	52,650
Corporate bonds and other instruments				
Corporate bonds and debentures	3,980	-	3,980	-
Time deposit	-	-	-	51,770
Total corporate bonds and other instruments	3,980	-	3,980	51,770
Total financial instruments at amortized cost	885,418	475,152	410,266	104,420

	2024		2023	
	Amounts in		Amounts in	
	Original Currency	US\$	Original Currency	US\$
Financial instruments at amortized cost				
Currency:				
Mexican Pesos	7,003,292	336,257	878,640	51,770
Brazilian Reais	1,244,752	201,625	255,732	52,650
Colombian Pesos	919,186,238	208,639	-	-
U.S. Dollars	138,897	138,897	-	-
Total		885,418		104,420

13. Credit card receivables

Composition of receivables

	2024	2023
Receivables - current (i)	6,100,636	6,296,788
Receivables - installments (i)	7,690,429	7,212,775
Receivables - revolving (ii)	828,247	978,741
Total receivables	14,619,312	14,488,304
Fair value adjustment - portfolio hedge (note 19)	-	32
Total	14,619,312	14,488,336
Credit card ECL allowance		
Presented as deduction of receivables	(2,360,036)	(2,074,203)
Presented as "Other liabilities" (note 28)	(29,490)	(22,066)
Total credit card ECL allowance	(2,389,526)	(2,096,269)
Receivables, net	12,229,786	12,392,067
Total receivables presented as assets	12,259,276	12,414,133

- (i) "Receivables - current" is related to purchases, withdrawals, payment slips ("*boleto*") and PIX (BACEN instant payments) financing made by customers due on the next credit card billing date. "Receivables - installments" is related to purchases in installments. Credit card receivables can be paid by Nu's customers in up to 36 monthly installments. The cardholder's credit limit is initially reduced by the total amount and the installments become due and payable on the cardholder's subsequent monthly credit card statement. In Brazil the corresponding payments to the credit card network (see note 24) follows a similar schedule. As receipts and payments are aligned, the Group does not incur significant financing costs with this product, however it is exposed to the credit risk of the cardholder as it is obliged to make the payments to the credit card network even if the cardholder does not pay. "Receivables - installments" also includes the amounts of credit card bills not fully paid by the customers and that have been converted into payments in installments with a fixed interest rate ("*fatura parcelada*"), in addition to bill financing, which comprise bills paid in installments through the credit card, banking payment slips ("*boleto*") and PIX financing in more than one installment.
- (ii) "Receivables - revolving" is related to the amounts due from customers that have not paid or fully paid their credit card bill. Customers may request to convert these receivables into loans to be paid in installments. In accordance with Brazilian regulation, revolving balances in Brazil that have not been fully paid and that are outstanding for more than 2 months are mandatorily converted into *fatura parcelada* - a type of installment loan which is settled through the customer's monthly credit card bills.

a) Breakdown by maturity

	2024		2023	
	Amount	%	Amount	%
Receivables due in:				
Up to 30 days	5,988,227	41.0%	6,263,292	43.2%
30 to 60 days	2,497,783	17.1%	2,485,690	17.2%
60 to 90 days	1,405,428	9.6%	1,364,089	9.4%
Over 90 days	3,085,206	21.1%	2,963,791	20.5%
Total receivables not overdue	12,976,644	88.8%	13,076,862	90.3%
Receivables overdue by:				
Up to 30 days	411,881	2.8%	349,263	2.4%
30 to 60 days	176,988	1.3%	170,962	1.2%
60 to 90 days	147,486	1.0%	141,310	0.9%
Over 90 days	906,313	6.1%	749,907	5.2%
Total receivables overdue	1,642,668	11.2%	1,411,442	9.7%
Total	14,619,312	100.0%	14,488,304	100.0%

Receivables not yet due consist mainly of current receivables and future bill installments ("parcelado") and receivables overdue consist mainly of late balances.

b) Credit loss allowance - by stages

As of December 31, 2024, the credit card ECL allowance totaled US\$2,389,526 (US\$2,096,269 as of December 31, 2023). The provision is estimated using modeling techniques, consistently applied, and is sensitive to the methods, assumptions, and risk parameters underlying its calculation.

The amount that the credit loss allowance represents in comparison to the Group's gross receivables (the coverage ratio) is also monitored to anticipate trends that could indicate credit risk increases. This metric is considered a key risk indicator and it is monitored across multiple committees, supporting the decision-making process and is discussed in the Group's credit forums.

The explanation of each stage is set out in the Company's accounting policies, as disclosed in note 4.

	2024					2023				
	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio (%)	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio (%)
Stage 1	11,849,086	81.1%	670,984	28.0%	5.7%	11,891,823	82.1%	693,151	33.1%	5.8%
Stage 2	1,377,896	9.4%	445,996	18.7%	32.4%	1,490,067	10.3%	477,714	22.8%	32.1%
Absolute Trigger (Days Late)	349,725	25.4%	254,294	57.0%	72.7%	364,853	24.5%	277,035	58.0%	75.9%
Relative Trigger (PD deterioration)	1,028,171	74.6%	191,702	43.0%	18.6%	1,125,214	75.5%	200,679	42.0%	17.8%
Stage 3	1,392,330	9.5%	1,272,546	53.3%	91.4%	1,106,414	7.6%	925,404	44.1%	83.6%
Total	14,619,312	100.0%	2,389,526	100.0%	16.3%	14,488,304	100.0%	2,096,269	100.0%	14.5%

c) Credit loss allowance - by credit quality vs. stages

	2024					2023				
	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio (%)	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio (%)
Strong (PD < 5%)	6,644,920	45.5%	126,401	5.3%	1.9%	7,103,018	49.0%	142,047	6.8%	2.0%
Stage 1	6,628,863	99.8%	126,147	99.8%	1.9%	7,081,674	99.7%	141,720	99.8%	2.0%
Stage 2	16,057	0.2%	254	0.2%	1.6%	21,344	0.3%	327	0.2%	1.5%
Satisfactory (5% <= PD <= 20%)	4,304,062	29.4%	324,830	13.6%	7.5%	3,860,845	26.7%	294,591	14.0%	7.6%
Stage 1	4,170,990	96.9%	315,603	97.2%	7.6%	3,699,167	95.8%	282,976	96.1%	7.6%
Stage 2	133,072	3.1%	9,227	2.8%	6.9%	161,678	4.2%	11,615	3.9%	7.2%
Higher Risk (PD > 20%)	3,670,330	25.1%	1,938,295	81.1%	52.8%	3,524,441	24.3%	1,659,631	79.2%	47.1%
Stage 1	1,049,233	28.6%	229,234	11.8%	21.8%	1,110,982	31.5%	268,455	16.2%	24.2%
Stage 2	1,228,767	33.5%	436,515	22.5%	35.5%	1,307,045	37.1%	465,772	28.0%	35.6%
Stage 3	1,392,330	37.9%	1,272,546	65.7%	91.4%	1,106,414	31.4%	925,404	55.8%	83.6%
Total	14,619,312	100.0%	2,389,526	100.0%	16.3%	14,488,304	100.0%	2,096,269	100.0%	14.5%

The credit quality classification is grouped in three categories based on its probability of default (PD) at the reporting date, as shown in the table below:

Default grade	Stage 1 and 2		Stage 3	
	Probability of default	Credit quality description	Probability of default	Credit quality description
1	<1%	Strong	-	-
2	1.0% to 5.0%	Strong	-	-
3	5.0% to 20.0%	Satisfactory	-	-
4	20.0% to 35.0%	Higher Risk	-	-
5	>35%	Higher Risk	100%	Higher Risk

d) Credit loss allowance - changes

The following tables show the reconciliations from the opening to the closing balance of the credit loss allowance by stages of the financial instruments.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	693,151	477,714	925,404	2,096,269
Transfers from Stage 1 to Stage 2	(59,159)	59,159	-	-
Transfers from Stage 2 to Stage 1	101,506	(101,506)	-	-
Transfers to Stage 3	(113,260)	(259,613)	372,873	-
Transfers from Stage 3	65,461	13,879	(79,340)	-
Write-offs	-	-	(1,374,040)	(1,374,040)
Net increase of loss allowance (note 7)	141,816	366,762	1,703,284	2,211,862
<i>New originations (a)</i>	159,762	16,370	11,130	187,262
<i>Changes in exposure of preexisting accounts (b)</i>	382,216	12,000	(5,242)	388,974
<i>Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage</i>	(351,741)	356,617	1,629,416	1,634,292
Changes to models used in calculation (c)	(48,421)	(18,225)	67,980	1,334
Effect of changes in exchange rates (OCI)	(158,531)	(110,399)	(275,635)	(544,565)
Credit loss allowance at end of the year	670,984	445,996	1,272,546	2,389,526

	2023			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	322,970	254,181	473,517	1,050,668
Transfers from Stage 1 to Stage 2	(33,880)	33,880	-	-
Transfers from Stage 2 to Stage 1	56,981	(56,981)	-	-
Transfers to Stage 3	(63,264)	(170,141)	233,405	-
Transfers from Stage 3	15,489	4,693	(20,182)	-
Write-offs	-	-	(935,283)	(935,283)
Net increase of loss allowance (note 7)	349,215	381,447	1,119,044	1,849,706
<i>New originations (a)</i>	<i>157,928</i>	<i>15,748</i>	<i>8,999</i>	<i>182,675</i>
<i>Changes in exposure of preexisting accounts (b)</i>	<i>275,749</i>	<i>13,706</i>	<i>2,280</i>	<i>291,735</i>
<i>Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage</i>	<i>(170,839)</i>	<i>310,683</i>	<i>1,087,561</i>	<i>1,227,405</i>
Changes to models used in calculation (c)	86,377	41,310	20,204	147,891
Effect of changes in exchange rates (OCI)	45,640	30,635	54,903	131,178
Credit loss allowance at end of the year	693,151	477,714	925,404	2,096,269

	2022			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	127,358	126,392	136,929	390,679
Transfers from Stage 1 to Stage 2	(19,469)	19,469	-	-
Transfers from Stage 2 to Stage 1	38,029	(38,029)	-	-
Transfers to Stage 3	(22,691)	(64,523)	87,214	-
Transfers from Stage 3	6,148	1,659	(7,807)	-
Write-offs	-	-	(290,974)	(290,974)
Net increase of loss allowance (note 7)	190,073	203,018	545,988	939,079
<i>New originations (a)</i>	144,394	22,320	11,167	177,881
<i>Changes in exposure of preexisting accounts (b)</i>	115,746	4,813	2,400	122,959
<i>Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage</i>	(97,269)	210,317	519,615	632,663
Changes to models used in calculation (c)	27,202	(34,432)	12,806	5,576
Effect of changes in exchange rates (OCI)	3,522	6,195	2,167	11,884
Credit loss allowance at end of the year	322,970	254,181	473,517	1,050,668

The "Net increase of loss allowance" is distributed considering the stages at the end of the year, except in (c), which is calculated considering the stages at the beginning of the year.

(a) Considers all accounts originated from the beginning to the end of the year. ECL effects presented in the table were calculated as if risk parameters at the beginning of the year were applied.

(b) Reflects the movements in exposure (both drawdown and undrawn limits) of accounts that already existed in the beginning of the year. ECL effects were calculated as if risk parameters of the exposures at the beginning of the year were applied.

(c) Changes to models that occurred during the year include, primarily, the calibration of ECL parameters to reflect more recent risk and recovery data, which the changes in the Company's underwriting policies and in the collections strategies in these historic years.

The following tables present changes in the gross carrying amount of the credit card portfolio to demonstrate the effects of the changes in the loss allowance for the same portfolio as presented above. "Net change of gross carrying amount" includes drawdowns, payments, and interest accruals.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of year	11,891,823	1,490,067	1,106,414	14,488,304
Transfers from Stage 1 to Stage 2	(707,959)	707,959	-	-
Transfers from Stage 2 to Stage 1	465,757	(465,757)	-	-
Transfers to Stage 3	(805,829)	(518,848)	1,324,677	-
Transfers from Stage 3	98,326	21,770	(120,096)	-
Write-offs	-	-	(1,374,040)	(1,374,040)
Net change of gross carrying amount	3,738,093	486,719	763,150	4,987,962
Effect of changes in exchange rates (OCI)	(2,831,125)	(344,014)	(307,775)	(3,482,914)
Gross carrying amount at end of the year	11,849,086	1,377,896	1,392,330	14,619,312

	2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of year	7,750,270	917,178	598,777	9,266,225
Transfers from Stage 1 to Stage 2	(581,044)	581,044	-	-
Transfers from Stage 2 to Stage 1	307,046	(307,046)	-	-
Transfers to Stage 3	(554,432)	(383,006)	937,438	-
Transfers from Stage 3	20,523	6,235	(26,758)	-
Write-offs	-	-	(935,283)	(935,283)
Net change of gross carrying amount	4,109,980	576,369	462,050	5,148,399
Effect of changes in exchange rates (OCI)	839,480	99,293	70,190	1,008,963
Gross carrying amount at end of the year	11,891,823	1,490,067	1,106,414	14,488,304

	2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of year	4,525,689	440,105	196,359	5,162,153
Transfers from Stage 1 to Stage 2	(377,421)	377,421	-	-
Transfers from Stage 2 to Stage 1	178,742	(178,742)	-	-
Transfers to Stage 3	(218,192)	(168,974)	387,166	-
Transfers from Stage 3	8,576	2,325	(10,901)	-
Write-offs	-	-	(290,974)	(290,974)
Net change of gross carrying amount	3,450,551	427,186	313,606	4,191,343
Effect of changes in exchange rates (OCI)	182,325	17,857	3,521	203,703
Gross carrying amount at end of the year	11,891,823	1,490,067	598,777	9,266,225

14. Loans to customers

	2024	2023
Loans to individuals (i)	5,864,270	3,691,436
Loans to companies	252,185	22,334
Total loans	6,116,455	3,713,770
Loan ECL allowance	(794,570)	(512,134)
Total Loan ECL allowance	(794,570)	(512,134)
Total receivables	5,321,885	3,201,636
Fair value adjustment - portfolio hedge (note 19)	-	698
Total	5,321,885	3,202,334

(i) As of December 31, 2024 US\$1,387,697 referred to secured loans (US\$250,876 as of December 31, 2023).

a) Breakdown by maturity

The following table shows loans to customers by maturity on December 31, 2024, and 2023, considering each installment individually.

	2024		2023	
	Amount	%	Amount	%
Installments due in:				
Up to 30 days	758,514	12.4%	551,677	14.8%
30 to 60 days	714,740	11.7%	520,450	14.0%
60 to 90 days	579,491	9.5%	379,148	10.2%
90 to 360 days	2,361,344	38.6%	1,629,511	43.9%
Over 360 days	1,460,397	23.9%	486,991	13.1%
Total not overdue installments	5,874,486	96.1%	3,567,777	96.0%
Installments overdue by:				
Up to 30 days	89,590	1.5%	53,986	1.5%
30 to 60 days	44,183	0.7%	32,469	0.9%
60 to 90 days	33,167	0.5%	23,135	0.7%
Over 90 days	75,029	1.2%	36,403	0.9%
Total overdue installments	241,969	3.9%	145,993	4.0%
Total	6,116,455	100.0%	3,713,770	100.0%

b) Credit loss allowance - by stages

As of December 31, 2024, the loans to customers ECL allowance totaled US\$794,570 (US\$512,134 as of December 31, 2023). The provision is estimated using modeling techniques, consistently applied, which is sensitive to the methods, assumptions, and risk parameters underlying its calculation.

The amount that the credit loss allowance represents in comparison to the Group's gross receivables (the coverage ratio) is also monitored to anticipate trends that could indicate credit risk increases. This metric is considered a key risk indicator and it is monitored across multiple committees, supporting the decision-making process and is discussed in the credit forums.

The explanation of each stage is set out in the Company's accounting policies, as disclosed in note 4.

	2024					2023				
	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio
Stage 1	4,728,358	77.3%	239,306	30.1%	5.1%	2,831,131	76.2%	145,341	28.4%	5.1%
Stage 2	1,054,416	17.2%	325,020	40.9%	30.8%	648,296	17.5%	223,982	43.7%	34.5%
Absolute Trigger (Days Late)	180,780	17.1%	150,723	46.4%	83.4%	138,919	21.4%	113,649	50.7%	81.8%
Relative Trigger (PD deterioration)	873,636	82.9%	174,297	53.6%	20.0%	509,377	78.6%	110,333	49.3%	21.7%
Stage 3	333,681	5.5%	230,244	29.0%	69.0%	234,343	6.3%	142,811	27.9%	60.9%
Total	6,116,455	100.0%	794,570	100.0%	13.0%	3,713,770	100.0%	512,134	100.0%	13.8%

c) Credit loss allowance - by credit quality vs stages

	2024					2023				
	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio	Gross Exposures	%	Credit Loss Allowance	%	Coverage Ratio
Strong (PD < 5%)	1,954,790	31.9%	19,761	2.4%	1.0%	1,437,136	38.7%	14,129	2.8%	1.0%
Stage 1	1,883,302	96.3%	18,678	94.5%	1.0%	1,396,591	97.2%	13,441	95.1%	1.0%
Stage 2	71,488	3.7%	1,083	5.5%	1.5%	40,545	2.8%	688	4.9%	1.7%
Satisfactory (5% <= PD <= 20%)	2,101,425	34.4%	113,253	14.3%	5.4%	1,228,949	33.1%	69,361	13.5%	5.6%
Stage 1	1,855,922	88.3%	97,439	86.0%	5.3%	1,081,293	88.0%	59,291	85.5%	5.5%
Stage 2	245,503	11.7%	15,814	14.0%	6.4%	147,656	12.0%	10,070	14.5%	6.8%
Higher Risk (PD > 20%)	2,060,240	33.7%	661,556	83.3%	32.1%	1,047,685	28.2%	428,644	83.7%	40.9%
Stage 1	989,134	48.0%	123,189	18.6%	12.5%	353,247	33.7%	72,609	17.0%	20.6%
Stage 2	737,425	35.8%	308,123	46.6%	41.8%	460,095	43.9%	213,224	49.7%	46.3%
Stage 3	333,681	16.2%	230,244	34.8%	69.0%	234,343	22.4%	142,811	33.3%	60.9%
Total	6,116,455	100.0%	794,570	100.0%	13.0%	3,713,770	100.0%	512,134	100.0%	13.8%

Credit quality classification is grouped in three categories based on the probability of default (PD) at the reporting date, as shown in the table below:

Default grade	Stage 1 and 2		Stage 3	
	Probability of default	Credit quality description	Probability of default	Credit quality description
1	<1%	Strong	-	-
2	1.0% to 5.0%	Strong	-	-
3	5.0% to 20.0%	Satisfactory	-	-
4	20.0% to 35.0%	Higher Risk	-	-
5	>35%	Higher Risk	100%	Higher Risk

d) Credit loss allowance - changes

The following tables show reconciliations from the opening to the closing balance of the credit loss allowance by the stages of the financial instruments.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	145,341	223,982	142,811	512,134
Transfers from Stage 1 to Stage 2	(7,427)	7,427	-	-
Transfers from Stage 2 to Stage 1	20,922	(20,922)	-	-
Transfers to Stage 3	(37,546)	(137,580)	175,126	-
Transfers from Stage 3	9,722	8,738	(18,460)	-
Write-offs	-	-	(814,913)	(814,913)
Net increase of loss allowance (note 7)	155,419	310,387	791,552	1,257,358
<i>New originations (a)</i>	673,604	152,915	33,976	860,495
<i>Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage</i>	(518,185)	157,472	757,576	396,863
Changes to models used in calculation (b)	-	-	-	-
Effect of changes in exchange rates (OCI)	(47,125)	(67,012)	(45,872)	(160,009)
Credit loss allowance at end of the year	239,306	325,020	230,244	794,570

	2023			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	76,454	148,233	75,536	300,223
Transfers from Stage 1 to Stage 2	(7,551)	7,551	-	-
Transfers from Stage 2 to Stage 1	16,983	(16,983)	-	-
Transfers to Stage 3	(20,574)	(111,067)	131,641	-
Transfers from Stage 3	4,117	4,943	(9,060)	-
Write-offs	-	-	(451,387)	(451,387)
Net increase of loss allowance (note 7)	68,198	177,680	388,478	634,356
<i>New originations (a)</i>	385,391	82,037	18,674	486,102
<i>Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage</i>	(314,926)	100,038	371,982	157,094
Changes to models used in calculation (b)	(2,267)	(4,395)	(2,178)	(8,840)
Effect of changes in exchange rates (OCI)	7,714	13,625	7,603	28,942
Credit loss allowance at end of the year	145,341	223,982	142,811	512,134

	2022			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance at beginning of year	68,926	72,935	55,675	197,536
Transfers from Stage 1 to Stage 2	(6,642)	6,642	-	-
Transfers from Stage 2 to Stage 1	5,946	(5,946)	-	-
Transfers to Stage 3	(18,294)	(60,238)	78,532	-
Transfers from Stage 3	647	619	(1,266)	-
Write-offs	-	-	(408,605)	(408,605)
Net increase of loss allowance (note 7)	21,986	131,510	348,347	501,843
New originations (a)	217,837	45,537	9,176	272,550
Other movements, primarily net drawdowns/repayments and net remeasurement from movements between stages and between risk bands within each stage	(212,730)	82,776	337,509	207,555
Changes to models used in calculation (b)	16,879	3,197	1,662	21,738
Effect of changes in exchange rates (OCI)	3,885	2,711	2,853	9,449
Credit loss allowance at end of the year	76,454	148,233	75,536	300,223

The "Net increase of loss allowance" is distributed considering the stages at the end of the year, except in (b), which is calculated considering the stages at the beginning of the year.

(a) Considers all accounts originated from the beginning to the end of the year. ECL effects presented in the table were calculated as if risk parameters at the beginning of the year were applied.

(b) Changes to models that occurred during the year include, primarily, the calibration of ECL parameters to reflect more recent risk and recovery data, which reflect the changes in the Company's underwriting policies and in the collections strategies in these historic years.

The following tables present changes in the gross carrying amount of the loan portfolio to demonstrate the effects of the changes in the loss allowance for the same portfolio as discussed above. “Net change of gross carrying amount” includes drawdowns, payments, and interest accrual.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of the year	2,831,131	648,296	234,343	3,713,770
Transfers from Stage 1 to Stage 2	(72,261)	72,261	-	-
Transfers from Stage 2 to Stage 1	105,872	(105,872)	-	-
Transfers to Stage 3	(286,753)	(251,924)	538,677	-
Transfers from Stage 3	11,164	9,941	(21,105)	-
Write-offs	-	-	(814,913)	(814,913)
Net increase of gross carrying amount	3,103,740	898,618	468,189	4,470,547
Effect of changes in exchange rates (OCI)	(964,535)	(216,904)	(71,510)	(1,252,949)
Gross carrying amount at end of the year	4,728,358	1,054,416	333,681	6,116,455

	2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of year	1,521,040	351,166	104,293	1,976,499
Transfers from Stage 1 to Stage 2	(81,641)	81,641	-	-
Transfers from Stage 2 to Stage 1	70,293	(70,293)	-	-
Transfers to Stage 3	(159,879)	(186,661)	346,540	-
Transfers from Stage 3	4,548	5,676	(10,224)	-
Write-offs	-	-	(451,387)	(451,387)
Net increase of gross carrying amount	1,311,806	428,807	232,682	1,973,295
Effect of changes in exchange rates (OCI)	164,964	37,960	12,439	215,363
Gross carrying amount at end of the year	2,831,131	648,296	234,343	3,713,770

	2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at beginning of year	1,129,522	200,040	62,788	1,392,350
Transfers from Stage 1 to Stage 2	(63,015)	63,015	-	-
Transfers from Stage 2 to Stage 1	31,475	(31,475)	-	-
Transfers to Stage 3	(149,355)	(112,901)	262,256	-
Transfers from Stage 3	735	701	(1,436)	-
Write-offs	-	-	(408,605)	(408,605)
Net increase of gross carrying amount	515,802	223,713	186,632	926,147
Effect of changes in exchange rates (OCI)	55,876	8,073	2,658	66,607
Gross carrying amount at end of the year	1,521,040	351,166	104,293	1,976,499

15. Compulsory and other deposits at central banks

	2024	2023
Compulsory deposits (i)	3,833,670	3,342,894
Reserve at central bank - Instant payments (ii)	2,909,666	2,953,515
Reserve at central bank - Electronic money (iii)	-	1,151,074
Total	6,743,336	7,447,483

- (i) Compulsory deposits are required by local central banks based on the amount of RDB and CDB held by Nu Financeira and deposits in electronic money held by Nu Colombia. These resources are remunerated mainly in Brazil by SELIC rate (special settlement and custody system of the BACEN) and for Colombia the compulsory deposits are not remunerated.
- (ii) Reserve at central bank - Instant payments relates to cash maintained in the Instant Payments Account, which is required by BACEN to support instant payment operations, and it is based on the average of PIX transactions per day based on the last month along with including additional funds as a safety margin. These resources are remunerated at Brazilian SELIC rate.
- (iii) Reserve at central bank - Electronic money refers to funds kept in a BACEN reserve, which serves as a safeguard to protect customer deposits invested in Nu Pagamentos. These resources are remunerated at Brazilian SELIC rate.

16. Other receivables

	2024	2023
Other receivables	1,415,263	1,691,665
Other receivables - ECL Allowance	(1,820)	(2,635)
Total	1,413,443	1,689,030

Other receivables are mostly related to the acquisition from merchant acquirers of their credit card receivables due from credit card issuers (mostly banks and other financial institutions), measured initially at fair value and to the agreement with Mastercard including incentive mechanisms linked to debit and credit transaction volume performance and other performance obligations. The ECL expenses for the year ended December 31, 2024 decreased US\$360. As of December 31, 2024 and 2023, the total amount of the Group's exposure was classified as Stage 1 Strong (PD<5%) and there was no transfer between stages for the year ended on December 31, 2024 and 2023.

All receivables are classified in stages. The explanation of each stage is set out in the Company's accounting policies (see note 4).

17. Other assets

	2024	2023
Deferred expenses (i)	254,791	230,676
Taxes recoverable (ii)	218,790	428,742
Advances to suppliers and employees	72,950	96,395
Prepaid expenses (iii)	80,193	81,687
Judicial deposits (note 26)	5,711	3,506
Other assets	31,143	95,203
Total	663,578	936,209

- (i) Refers to credit card issuance costs, including printing, packing, and shipping costs, among others. The expenses are amortized based on the card's estimated useful life methodology, adjusted for any cancellations.
- (ii) The current income tax assets and liabilities are presented offset on December 31, 2024 and the change in presentation did not impact the Consolidated Statements of income.
- (iii) Prepaid expenses refer to invoices related to the cloud savings plan, in accordance with the supplier contract.

18. Investments in associates

Company	As of December 31, 2024							Year ended on December 31, 2024
	Equity interest (i)	Shareholding interest with voting rights (iii)	Investment (iv)	Current assets	Non-current assets	Current liabilities	Non- current liabilities	Associates net income (loss) for the year
Tyme (ii)	18%	0%	99,365	1,201	218,846	14,447	-	(36,600)

- (i) The Group holds 18% equity interest in the holding company Tyme Group Pte Ltd from Singapore. The Indirect equity interest in the Tyme Group as a whole, is equivalent to 10%.
- (ii) Tyme is the holding company which has investments in Tyme Bank Holdings (South Africa operation) and Tyme Investments (Southeast Asia operation) as described in note 1.
- (iii) Even though Nu has no voting rights, all Series D preferred shares acquired by the Group may be converted into shares with voting rights at any time at Nu's election.
- (iv) The total investment in Tyme Group was US\$150,000, of which US\$99,365 referred to investments in associates and the remaining is related to derivatives, such as call options and warrants recorded at fair value, enabling Nu to acquire additional equity interest in the future. The derivatives are presented in note 20.

19. Intangibles assets and goodwill

a) Composition of intangible assets and goodwill

(i) Intangible assets

	2024			2023		
	Cost	Accumulated amortization	Net value	Cost	Accumulated amortization	Net value
Intangibles related to acquisitions	137,318	(58,705)	78,613	107,181	(45,547)	61,634
Internally developed intangibles	313,983	(54,136)	259,847	250,236	(25,538)	224,698
Other intangibles	29,737	(20,581)	9,156	28,815	(19,266)	9,549
Total	481,038	(133,422)	347,616	386,232	(90,351)	295,881

(ii) Goodwill

	2024	2023
	Goodwill	
Nu Investimento's acquisition	353,405	381,266
Other acquisitions	60,882	16,272
Total	414,287	397,538

b) Changes on intangible assets and goodwill

	2024				
	Goodwill	Intangible assets			
		Intangibles related to acquisitions	Internally developed intangible(s)	Other Intangibles	Total Intangibles
Balance at beginning of the year	397,538	61,634	224,698	9,549	295,881
Additions	44,610	27,825	154,583	7,860	190,268
Disposals	-	-	(24,748)	(1,864)	(26,612)
Amortization	-	(13,320)	(37,607)	(5,157)	(56,084)
Effect of changes in exchange rates (OCI) (i)	(27,861)	2,474	(57,079)	(1,232)	(55,837)
Balance at end of the year	414,287	78,613	259,847	9,156	347,616

(i) Effect of changes in exchange rates includes foreign exchange adjustments on goodwill due to the reverse acquisition of Nu Distribuidora de Titulos e Valores Mobiliarios ("Nu DTVM") by Nu Investimento.

2023					
	Goodwill	Intangible assets			
		Intangibles related to acquisitions	Internally developed intangible(s)	Other Intangibles	Total Intangibles
Balance at beginning of the period	397,397	78,047	84,137	19,980	182,164
Additions	-	-	165,115	45	165,160
Disposals	-	-	(23,463)	(1,369)	(24,832)
Amortization	-	(14,784)	(13,949)	(9,880)	(38,613)
Effect of changes in exchange rates (OCI)	141	(1,629)	12,858	773	12,002
Balance at end of the period	397,538	61,634	224,698	9,549	295,881

2022					
	Goodwill	Intangible assets			
		Intangibles related to acquisitions	Other Intangibles	Total Intangibles	
Balance at beginning of the year	401,872	53,406	18,931	72,337	
Additions	7,654	40,995	92,236	133,231	
Disposals	-	-	(5,694)	(5,694)	
Amortization	-	(15,919)	(9,211)	(25,130)	
Others	(11,637)	-	-	-	
Effect of changes in exchange rates (OCI)	(492)	(435)	7,855	7,420	
Balance at end of the year	397,397	78,047	104,117	182,164	

20. Derivative financial instruments

The Group executes transactions with derivative financial instruments, which are intended to meet its own needs to reduce its exposure to market, currency and interest-rate risks. The derivatives are classified at fair value through profit or loss, except those in cash flow hedge accounting strategies, for which the effective portion of gains or losses on derivatives is recognized directly in other comprehensive income. The management of these risks is conducted through determining limits, and the establishment of operating strategies. The derivative contracts are considered level 1, 2 or 3 in the fair value hierarchy and are used to hedge exposures, but hedge accounting is adopted only for forecasted transactions related to the cloud infrastructure, intercompany transactions and certain software licenses used by Nu (hedge of foreign currency risk), to hedge interest of the fixed rate credit portfolio (hedge of interest rate risk of portfolio) and to hedge the future cash disbursement related to highly probable future transactions and accrued liabilities for corporate and social security taxes at RSU vesting or SOP exercise, as shown below.

	2024		
	Notional amount	Fair values	
		Assets	Liabilities
Derivatives classified at fair value through profit or loss			
Interest rate contracts – Futures	347,110	158	-
Foreign currency exchange rate contracts – Futures	701,367	61	1,990
Interest rate contracts – Swaps	308,176	19,808	78
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	483,493	4,772	16,169
Warrants	23,645	23,665	-
Call Options	27,000	27,000	-
Derivatives held for hedging			
Designated as cash flow hedge			
Foreign currency exchange rate contracts – Futures	164,752	-	510
Equity - Total Return Swap (TRS)	111,479	-	13,582
Total	2,167,022	75,464	32,329

	2023		
	Notional amount	Fair values	
		Assets	Liabilities
Derivatives classified at fair value through profit or loss			
Interest rate contracts - Futures	758,536	6	4
Foreign currency exchange rate contracts – Futures	421,306	1,963	-
Interest rate contracts – Swaps	213,568	-	22,294
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	114,478	-	5,875
Warrants	10	20	-
Derivatives held for hedging			
Designated as cash flow hedge			
Foreign currency exchange rate contracts – Futures	188,748	1,050	-
Equity - Total Return Swap (TRS)	88,193	17,882	-
Designated as portfolio hedge			
DI - Future	241,995	60	-
Total	2,026,834	20,981	28,173

Futures contracts are traded on the B3 (Brasil, Bolsa e Balcão), a stock exchange in Brazil, as the counterparty and are settled on a daily basis. The total value of margins pledged by the Group in transactions on the stock exchange is presented in note 12.

Swaps of interest risk contracts are settled at the maturity date and are traded over the counter with financial institutions as counterparties.

Nu Holdings entered into non-deliverable forward contracts to hedge foreign currency expenses in Nu Colombia, with settlements in April 2025, and contracts to hedge the syndicated loan from Nu Colombia Financiera, with settlements in January 2025. Also, Nu Financeira has non-deliverable forward contracts to hedge foreign currency exposure in government bonds from México.

Subsequently, Nu Holdings entered into swaps contracts to hedge loans of Nu Colombia in U.S. dollars with settlements in January 2025.

Swap TRS contracts are settled only at maturity and are traded over the counter with financial institutions as counterparties.

Breakdown by maturity

The table below shows the breakdown by maturity of the notional amounts:

	2024			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Assets				
Interest rate contracts – Futures	305,566	14,521	27,023	347,110
Foreign currency exchange rate contracts – Futures	866,119	-	-	866,119
Interest rate contracts – Swaps	-	-	105,576	105,576
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	381,493	37,000	-	418,493
Equity - Total Return Swap (TRS)	9,945	85,043	16,491	111,479
Warrants	-	-	23,645	23,645
Call Options	-	-	27,000	27,000
Total assets	1,563,123	136,564	199,735	1,899,422
Liabilities				
Interest rate contracts – Swaps	202,600	-	-	202,600
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	65,000	-	-	65,000
Total liabilities	267,600	-	-	267,600

	2023			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Assets				
Interest rate contracts – Futures	-	728,473	13,698	742,171
Foreign currency exchange rate contracts – Futures	610,054	-	-	610,054
Interest rate contracts – Swaps	-	-	10,968	10,968
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	-	20,000	-	20,000
Warrants	-	-	10	10
Total assets	610,054	748,473	24,676	1,383,203
Liabilities				
Interest rate contracts – Futures	-	234	16,131	16,365
Interest rate contracts – Swaps	-	202,600	-	202,600
Equity - Total Return Swap (TRS)	9,388	78,805	-	88,193
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	-	94,478	-	94,478
DI - Future	123,446	108,808	9,741	241,995
Total liabilities	132,834	484,925	25,872	643,631

The table below shows the breakdown by maturity of the fair value amounts:

	2024		
	Up to 12 months	Over 12 months	Total
Assets			
Interest rate contracts – Swaps	17,010	2,798	19,808
Interest rate contracts – Futures	158	-	158
Foreign currency exchange rate contracts – Futures	61	-	61
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	4,772	-	4,772
Warrants	-	23,665	23,665
Call Options	-	27,000	27,000
Total assets	22,001	53,463	75,464
Liabilities			
Equity - Total Return Swap (TRS)	13,020	562	13,582
Interest rate contracts – Swaps	78	-	78
Foreign currency exchange rate contracts - Futures	2,500	-	2,500
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	16,169	-	16,169
Total liabilities	31,767	562	32,329

	2023		
	Up to 12 months	Over 12 months	Total
Assets			
Equity - Total Return Swap (TRS)	17,882	-	17,882
Interest rate contracts – Futures	6	-	6
Foreign currency exchange rate contracts – Futures	3,013	-	3,013
DI - Future	60	-	60
Warrants	20	-	20
Total assets	20,981	-	20,981
Liabilities			
Interest rate contracts – Futures	4	-	4
Interest rate contracts – Swaps	22,294	-	22,294
Foreign currency exchange rate contracts - Non-deliverable forwards (NDF)	5,875	-	5,875
Total liabilities	28,173	-	28,173

a) Hedge of foreign currency risk

The Group is exposed to foreign currency risk on forecast transaction expenses, related to the cloud infrastructure, certain software licenses and intercompany expenses. The Group managed its exposures to the variability in cash flows of foreign currency forecasted transactions to movements in foreign exchange rates by entering into foreign currency exchange rate contracts (exchange futures). These instruments are entered into to match the cash flow profile of the estimated forecast transactions and are exchange-traded with fair value movements settled on a daily basis.

The Group applies hedge accounting to the forecasted transactions related to its main cloud infrastructure contract and other expenses in foreign currency including intercompany expenses. The effectiveness is assessed monthly by analyzing the critical terms. The critical terms of the hedging instrument and the amount of the forecasted hedged transactions are significantly the same. Derivatives are generally rolled over monthly. They are expected to occur in the same fiscal month as the maturity date of the hedged item. Therefore, the hedge is expected to be effective. Subsequent assessments of effectiveness are performed by verifying and documenting whether the critical terms of the hedging instrument and forecasted hedged transaction have changed during the period in review and whether it remains probable. If there are no such changes in critical terms, the Group will continue to conclude that the hedging relationship is effective. Sources of ineffectiveness are differences in the amount and timing of forecast and actual payment of expenses.

The table below shows the change in the hedge of foreign currency risk:

	2024	2023	2022
Balance at beginning of the year	(8,254)	(2,610)	1,487
Fair value change recognized in OCI during the year	30,248	(29,945)	(20,924)
Total amount reclassified from cash flow hedge reserve to the statement of income during the year	3,132	20,685	14,012
<i>to "Customer support and operation"</i>	(1,718)	15,338	6,769
<i>to "General and administrative expenses"</i>	3,807	5,943	7,778
<i>to "Other income (expenses)"</i>	9,372	233	-
Effect of changes in exchange rates (OCI)	(8,329)	(829)	(535)
Deferred income taxes	(13,405)	3,616	2,815
Balance at end of the year	11,721	(8,254)	(2,610)

The expected future transactions that are the hedged item are:

	2024			2023
	Up to 3 months	3 to 12 months	Total	Total
Expected foreign currency transactions	58,418	134,610	193,028	187,456
Total	58,418	134,610	193,028	187,456

b) Hedge of corporate and social security taxes over share-based compensation

The Group's hedge strategy is to cover the future cash disbursement related to highly probable future transactions and accrued liabilities for corporate and social security taxes at RSU vesting from the variation of the Company's share price volatility. The derivative financial instruments used to cover the exposure are total return swaps ("TRS") in which one leg is indexed to the Company's stock price and the other leg is indexed to Secured Overnight Financing Rate ("SOFR") plus spread. The stock fixed at the TRS is a weighted average price. The hedge was entered into by Nu Holdings and therefore there is no income tax effect.

The Group applies the cash flow hedge for the hedge structure thus the market risk is replaced by an interest rate risk. The effectiveness assessment is performed monthly by (i) assessing the economic relationship between the hedged item and the hedging instrument; (ii) monitoring the credit risk impact in the hedge effectiveness; and (iii) maintaining and updating the hedging ratio. Given the possibility of forfeiture impacting the future cash forecast of the employee benefit plan, the Group manages exposures to keep the hedging level within an acceptable coverage. The derivative fair value is measured substantially based on the stock price which is also used in the measurement of the provision or payment for corporate and social security taxes. There is no expectation for a mismatch between the hedged item and hedging instrument at maturity other than the SOFR.

In June 2024, the Group modified its risk management objective of the hedge accounting for corporate and social security taxes to reduce the portion being hedged from a pre-income tax effect to a post-income tax effect, aiming to hedge the effects of the Company's share price changes on the hedged items net of the income tax effects. As a result, the Group partially settled the TRS in an amount equivalent to the income tax rates applicable exposure. The gain related to TRS settled, in the amount of US\$14,130 accumulated in Other Comprehensive Income, is being reclassified to the statement of income in the proportion of the settlement of the related liability. As of December 31, 2024, US\$13,127 of the total has been reclassified to profit or loss.

The table below shows the change in the hedge of corporate and social security taxes over share-based compensation:

	2024	2023	2022
Balance at beginning of the year	20,671	(4,876)	-
Fair value change recognized in OCI during the year	25,893	59,250	(8,871)
Total amount reclassified from cash flow hedge reserve to the statement of income during the year (note 10)	(35,535)	(33,703)	3,995
to "Customer support and operations"	(1,040)	(1,372)	-
to "General and administrative expenses"	(33,669)	(31,183)	3,995
to "Marketing expenses"	(826)	(1,148)	-
Balance at end of the year	11,029	20,671	(4,876)

Expected cash disbursement

	2024				2023
	Up to 1 year	1 to 3 years	Over 3 years	Total	Total
Considering the reporting date fair value of the hedged item:					
Expected cash disbursement for corporate and social contributions	35,328	52,040	16,629	103,997	110,596
Total	35,328	52,040	16,629	103,997	110,596

c) Hedge of portfolio's interest rate risk

The effectiveness test for the hedge was done on a prospective and retrospective basis for 2023. In the prospective test, the Group compared the impact of a 1 basis point parallel shift on the interest rate curve (DV01) on the hedged item and on the hedge instrument fair value. For the retrospective test, the fair value change since the inception of the hedged item was compared to the hedge instrument. In both cases, the hedge was considered effective if the correlation is between 80% and 125%. As of December 31, 2023 the effectiveness ratio for the hedges of the credit card and loan portfolios were 100% and 99%, respectively.

As of December 31, 2024, the Company no longer has derivatives for the hedge of the portfolio's interest rate risk.

	2023			
	Hedge object	Fair value adjustment to the hedge object		Derivative hedge instrument
		Asset	Liability	Fair value variation
Interest rate risk				
Interest rate contracts - Future - portfolio hedge - credit card	5,368	32	-	(16)
Interest rate contracts - Future - portfolio hedge - loan	164,733	698	-	(601)
Total	170,101	730	-	(617)

21. Instruments eligible as capital

	2024	2023
Financial liabilities at fair value through profit or loss		
Instruments eligible as capital	-	3,988
Total	-	3,988

There were no defaults or breaches of instruments eligible as capital or on any financial liability during the year ended December 31, 2024.

In June 2019, Nu Financeira issued a subordinated financial note in the amount equivalent to US\$18,824, which was approved as Tier 2 capital by the Central Bank of Brazil in September 2019, for the purposes of regulatory capital calculation. The note had a fixed interest rate of 12.8% and a maturity in 2029, and could be called as of June 14, 2024. The repurchase was approved by the Central Bank of Brazil on June 17, 2024, and the Group completed the repurchase on July 03, 2024.

The Group designated the instruments eligible as capital at fair value through profit (loss) at its initial recognition. The losses of fair value changes arising from its own credit risk in the amount of US\$40 were recorded in other comprehensive income (losses of US\$29 and gains of US\$2,008 in the years ended December 31, 2023 and 2022). All other fair value changes and interests in the amount of US\$254 (gains of US\$2,762 and US\$7,310 in the years ended December 31, 2023 and 2022) were recognized as profit or loss.

	2024	2023	2022
Balance at beginning of the year	3,988	11,507	12,056
Interest accrued, net of gain from repurchases	235	(2,815)	(882)
Fair value changes	19	53	8,192
Own credit transferred to OCI	(40)	29	(2,008)
Repurchase	(3,984)	(6,126)	-
Effect of changes in exchange rates (OCI)	(218)	1,340	(5,851)
Balance at end of the year	-	3,988	11,507

22. Repurchase agreements

	2024	2023
Repurchase agreements		
Government bonds (i)	308,583	210,454

(i) As of December 31, 2024 the Group has US\$ 308,583 (US\$ 210,454 as of December 31, 2023) in repurchase agreements using government bonds as collateral. The agreements are executed overnight and have an average fixed rate of 12.1% per year (as of December 31, 2023 the average fixed rate was 11.7% per year) and the government bonds are classified as fair value through other comprehensive income on note 12. As of December 31, 2024 the fair value of the securities pledge to repurchase agreement is US\$309,225 (US\$210,983 as of December 31, 2023).

Changes to repurchase agreements were as follows:

	2024	2023	2022
Balance at beginning of the year	210,454	197,242	3,046
New obligations	181,750,640	70,527,530	19,159,865
Payments - principal	(181,586,958)	(70,531,469)	(18,959,717)
Payments - interest	(74,096)	(33,739)	(9,578)
Interest accrued	74,096	33,739	9,578
Effect of changes in exchange rates (OCI)	(65,553)	17,151	(5,952)
Balance at the end of the year	308,583	210,454	197,242

23. Financial liabilities at amortized cost – deposits

	2024	2023
Bank receipt of deposits (RDB)	21,511,844	21,054,443
Deposits in electronic money	6,796,826	2,388,601
Bank certificate of deposit (CDB)	546,395	248,086
Total	28,855,065	23,691,130

Currently, deposits in electronic money in Brazil, México and Colombia include NuAccount balances. In Brazil, NuAccount is a prepaid account in which the amounts deposited by customers are classified as electronic money and must be allocated to government securities (see note 12b) or in a specific account maintained at the Central Bank of Brazil (see note 15), in accordance with Brazilian regulatory requirements.

In Mexico, NuAccount balances are not required to be invested in specific assets; and therefore, they can be used as a financing source for the credit card operations in Mexico.

In Colombia, NuAccount balances are required to have a percentage of the deposits from the public in an account with the Colombian central bank, also a percentage of the deposits as required to be invested in a class of compulsory deposits.

The RDBs are an investment option inside NuAccount and can have daily liquidity or defined future maturity. Deposits in RDB have guarantees from the Brazilian Deposit Guarantee Fund (“FGC”). Unlike the deposits in electronic money, Nu is required to follow the compulsory deposits requirements for RDB deposits (see note 15), however it is not required to invest the remaining resources in government securities or in specific account maintained at the Central Bank of Brazil - these amounts can be used as a financing source for loan and credit card operations.

There are also RDBs with a defined future maturity date, which have a maturity of up to 27 months and a weighted average interest rate of 105% of the Brazilian CDI rate as of December 31, 2024 and 2023.

The interest paid on both NuAccount and RDB deposits (except fixed term RDBs) is 100% of the Brazilian CDI rate as of the initial date if the balances are kept for more than 30 days.

For NuAccount in Mexico, the balances deposited in "Cajitas" yield from 12.0% to 14.0% per year as of December 31, 2024. "Cajitas" has daily yield accrual and can have daily liquidity or defined future maturity.

The interest paid on NuAccount in Colombia, is from 11.0% to 11.5% per year as of December 31, 2024.

The Bank certificate of deposit (CDB) is issued by Nu Financeira and primarily distributed by Nu Investimento.

Breakdown by maturity

	2024			2023		
	Up to 12 months	Over 12 months	Total	Up to 12 months	Over 12 months	Total
Bank receipt of deposits (RDB)	21,402,435	109,409	21,511,844	20,900,095	154,348	21,054,443
Deposits in electronic money	6,796,826	-	6,796,826	2,388,601	-	2,388,601
Bank certificate of deposit (CDB)	462,407	83,988	546,395	213,707	34,379	248,086
Total	28,661,668	193,397	28,855,065	23,502,403	188,727	23,691,130

24. Financial liabilities at amortized cost – payables to network

	2024	2023
Payables to credit card network (i)	9,333,541	9,755,285
Total	9,333,541	9,755,285

(i) Corresponds, mainly to the amount payable to the acquirers related to credit and debit card transactions. Brazilian credit card payables are settled according to the transaction installments, substantially in up to 27 days for transactions with no installments; 1 business day for international transactions; and sales in installments ("*parcelado*") have monthly settlements, mostly, over a period of up to 12 months. For Mexican and Colombian credit card transactions, the amounts are settled in 1 business day.

In December 2024, Nu renewed and extended its long-term partnership with Mastercard, including incentive mechanisms linked to debit and credit transaction volume performance and other performance obligations to be satisfied throughout the duration of the agreement.

The segregation by maturity is shown in the table below:

Payables to credit card network	2024	2023
Up to 30 days	4,326,268	5,347,665
30 to 90 days	2,450,743	2,361,563
Over 90 days	2,556,530	2,046,057
Total	9,333,541	9,755,285

Collateral for credit card operations

As of December 31, 2024, the Group had US\$336 (US\$320 on December 31, 2023) of security deposits granted in favor of Mastercard. These security deposits are measured at fair value through profit (loss) and are held as collateral for the amounts payable to the network and can be replaced by other security deposits with similar characteristics. The average remuneration rate of those security deposits was 0.34% per month in the year ended December 31, 2024 (0.40% per month in the year ended December 31, 2023).

25. Financial liabilities at amortized cost – borrowings and financing

a) Borrowings and financings

Borrowings and financings maturities are as follows:

	2024			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Borrowings and financings				
Syndicated loans (ii)	109	21,279	328,873	350,261
Financial letter (iii)	6,577	184,833	987,193	1,178,603
Margin loan credit facility (iv)	-	201,493	-	201,493
Total borrowings and financings	6,686	407,605	1,316,066	1,730,357
	2023			
	Up to 3 months	3 to 12 months	Over 12 months	Total
Borrowings and financings				
Term loan credit facility (i)	3,832	94,943	-	98,775
Syndicated loans (ii)	14,820	-	806,681	821,501
Financial letter (iii)	-	-	216,068	216,068
Total borrowings and financings	18,652	94,943	1,022,749	1,136,344

- (i) Correspond to two term loan credit facilities obtained by Nu BN Servicios México, S.A. de CV ("Nu Mexico Servicios") and reassigned to Nu Mexico Financiera, both Mexican subsidiaries in Mexican pesos, guaranteed by the Company and fully paid as of June 30, 2024.
- (ii) Correspond to three syndicated credit facilities. The first, in which Nu's subsidiaries in Mexico and Colombia are the borrowers and the Company is acting as guarantor, the total amount of the credit facility was US\$650,000 of which US\$625,000 was allocated to Nu México and fully paid as of September 30, 2024. The remaining US\$25,000 was allocated to Nu Colombia, fully withdrawn and was extended to March, 2027. The second, in which Nu Colombia has been granted a 3-year facility from IFC (International Finance Corporation), the total amount corresponds to US\$265,100, guaranteed by the Company, and was fully withdrawn. The third, in which Nu Colombia executed a 3-year credit facility with DFC - U.S. International Development Finance Corporation for the amount of US\$150,000, guaranteed by the Company. As of December 31, 2024, Nu Colombia Financiera had drawn-down US\$50,000 of this credit facility.
- (iii) As of December 31, 2024, Nu Financeira had issued financial letters in Brazilian reais with a total issuance date principal amount equivalent to US\$1,349,022 (US\$198,691 as of December 31, 2023).
- (iv) Correspond to margin loan credit facility, backed by government securities and sovereign bonds as collateral for the operation which Nu entered through Nu Financeira, as of December 31, 2024 the principal amount is US\$200,000 and the fair value was US\$200,941.

The terms and conditions of the loans outstanding as of December 31, 2024, are as follows:

Borrowings and financing	2024				
	Country	Currency	Interest rate	Maturity	Principal amount in US\$ (i)
Syndicated loan	Colombia	COP	IBR (1) + 1.6% up to 2.75%	March 2027	87,500
Syndicated loan	Colombia	US\$	SOFR (3) + 4.1%	January 2026	202,600
Syndicated loan	Colombia	US\$	SOFR (3) + 2.9%	October 2027	50,000
Financial letter	Brazil	BRL	CDI (2) + 0.5% up to 1.8%	From January 2025 up to December 2027	1,280,144
Margin loan credit facility	United States	US\$	SOFR (3) + 1.1%	November 2025	200,000

(1) IBR: Colombian Bank Reference Indicator (*Indicador Bancario de Referencia*).
(2) CDI: Brazilian Bank Reference Indicator (*Certificado de Depósito Interbancário*).
(3) SOFR: Secured Overnight Financing Rate.

(i) The conversion of the principal amounts into US\$ in the table above is based on historical exchange rates of the contracts, considering the initial issuances of the obligations.

Changes to borrowings and financings are as follows:

	2024				
	Margin loan credit facility	Term loan credit facility	Syndicated loan	Financial Letter	Total
Balance at beginning of the year	-	98,775	821,501	216,068	1,136,344
New borrowings	200,000	-	52,378	1,057,512	1,309,890
Payments – principal	-	(90,675)	(489,967)	-	(580,642)
Payments – interest	-	(7,221)	(79,967)	-	(87,188)
Interest accrued	1,493	3,364	81,373	97,304	183,534
Transaction costs	-	-	(676)	(369)	(1,045)
Effect of changes in exchange rates (OCI)	-	(4,243)	(34,381)	(191,912)	(230,536)
Balance at end of the year	201,493	-	350,261	1,178,603	1,730,357

	2023			
	Term loan credit facility	Syndicated loan	Financial Letter	Total
Balance at beginning of the year	118,194	467,374	-	585,568
New borrowings	-	270,810	198,691	469,501
Payments – principal	(35,702)	(10,799)	-	(46,501)
Payments – interest	(13,341)	(68,273)	-	(81,614)
Interest accrued	13,615	75,527	11,408	100,550
Transaction costs	-	-	-	-
Effect of changes in exchange rates (OCI)	16,009	86,862	5,969	108,840
Balance at end of the year	98,775	821,501	216,068	1,136,344

	2022				
	Bills of exchange	Term loan credit facility	Bank borrowings	Syndicated loan	Total
Balance at beginning of the year	10,400	136,843	-	-	147,243
Addition due to business combination	-	-	4,729	-	4,729
New borrowings	-	121,142	-	460,000	581,142
Payments – principal	(9,447)	(146,078)	(4,458)	-	(159,983)
Payments – interest	(1,889)	(8,301)	(568)	(19,998)	(30,756)
Interest accrued	42	8,340	158	22,534	31,074
Effect of changes in exchange rates (OCI)	894	6,248	139	4,838	12,119
Balance at end of the year	-	118,194	-	467,374	585,568

Covenants

The credit facilities and syndicated loans above-mentioned have associated restrictive clauses (covenants) which establish the maintenance of minimum financial indicators resulting from capital, funding and liquidity (cash) position, as well as profitability metrics and leverage ratios including, but not limited to, net debt to gross profit, in addition to non-financial indicators according to each contract. The non-compliance with financial covenants is considered as an event of default and may lead to debt acceleration. There are also cross-default clauses triggered in the event Nu Holdings and/or some subsidiaries fail to pay any material indebtedness. The covenants are monitored on a regular basis.

Guarantees

Nu Holdings guarantees the above-mentioned loans of Nu Colombia Financiera. The Company was also the guarantor of the syndicated loan in Nu Mexico Financiera that was paid down in September 2024. Nu Mexico Financiera also had two term loan facilities backed by Company guarantee, one of them also was guaranteed by Nu Pagamentos which were fully prepaid in March and April 2024. Also, Nu Colombia Financeira has a 3-year credit facility with DFC - U.S. International Development Finance Corporation guaranteed by Nu Holdings.

26. Provision for lawsuits and administrative proceedings

	2024	2023
Tax risks	883	-
Civil risks	18,650	7,532
Labor risks	3,018	550
Total	22,551	8,082

The Company and its subsidiaries are parties to lawsuits and administrative proceedings arising from time to time in the ordinary course of operations, involving civil, tax and labor matters. Such matters are being discussed at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The provisions for probable losses arising from these matters are estimated and periodically adjusted by management, supported by external legal advisors' opinion. There is significant uncertainty relating to the timing of any cash outflows, if any, for civil and labor risk.

a) Provision

Civil lawsuits are mainly related to credit card operations. Based on management's assessment, and inputs from Nu's external legal advisors, the Group has provisioned US\$18,650 (US\$7,532 on December 31, 2023) considered sufficient to cover estimated losses on civil suits deemed probable.

b) Changes

Changes to provision for lawsuits and administrative proceedings are as follows:

	2024				2023	2022
	Tax	Civil	Labor	Total	Total	Total
Balance at beginning of the year	-	7,532	550	8,082	17,947	18,082
Additions	883	43,070	4,041	47,994	14,588	2,042
Monetary adjustment	-	444	117	561	-	-
Payments/Reversals	-	(28,950)	(1,199)	(30,149)	(25,701)	(3,216)
Effect of changes in exchange rates (OCI)	-	(3,446)	(491)	(3,937)	1,248	1,039
Balance at end of the year	883	18,650	3,018	22,551	8,082	17,947

c) Contingencies

The Group is a party to civil and labor lawsuits, involving risks classified by management and the legal advisors as possible losses, totaling approximately US\$2,613 and US\$17,738, respectively (US\$14,212 and US\$12,333 on December 31, 2023).

d) Judicial deposits

As of December 31, 2024, the total amount of judicial deposits shown as “Other assets” (note 17) is US\$5,711 (US\$3,506 on December 31, 2023) and is substantially attributed to the judicial deposit carried on behalf of the shareholders of Nu Investimento, prior to the acquisition, due to a tax proceeding related to withholding taxes calculated on amounts paid to employees.

27. Deferred income

	2024	2023
Deferred revenue from rewards program	69,387	62,578
Deferred annual fee from reward program	-	2,762
Other deferred income	2,249	3,020
Total	71,636	68,360

Deferred revenue from rewards programs is related to the Group's rewards programs for its credit card customers, called "Nubank+" and "Ultravioleta". The programs consist of accumulating points according to the use of the credit card in the ratio of R\$1.00 (one Brazilian real, equivalent to US\$0.16 as of December 31, 2024 and US\$0.21 as of December 31, 2023) equal to 0.5 and 1 point in cashback for Nubank+ and Ultravioleta, respectively. The points do not expire and there is no limit on the number of rewards an eligible card member can earn. Deferred annual fees from the reward program comprise amounts related to the rewards fees which are paid in advance by customers. The redemption of the points occurs in cashback or air miles Program.

Nu uses financial models to estimate the redemption rates of rewards earned to date by current card members, and, therefore, the estimated financial value of the points, based on historical redemption trends and current enrollee redemption behavior, among others. The estimated financial value is recorded in the statement of income when the performance obligation is satisfied, which is when the reward points are redeemed.

28. Other liabilities

	2024	2023
Payment transactions - other (i)	204,426	219,426
Sundry creditors (ii)	244,635	158,169
Credit card ECL allowance (note 13)	29,490	22,066
Payables to insurers	16,634	14,798
Intermediation of securities	20,896	12,835
Third parties funds in transit (iii)	35,179	38,407
Other liabilities (iv)	70,352	66,630
Total	621,612	532,331

- (i) Correspond to prepayments from customers which exceed the credit card bill amounts.
- (ii) Include payable to suppliers.
- (iii) Mostly related to pending settlement balances with B3.
- (iv) Primarily related to provisions for Nucoin redemptions and customer funds deposited with Nu Investimento.

29. Related parties

In the ordinary course of business, the Group issues credit cards or loans to Nu’s executive directors, board members, key employees and close family members. Those transactions, as well as the deposits and other products, such as investments, occur on similar terms as those prevailing at the time for comparable transactions to unrelated persons and do not involve more than the normal risk of collectability.

As described in note 3, Basis of consolidation, all companies from the Group are consolidated in these consolidated financial statements. Therefore, related party balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in the consolidated financial statements.

a) Transactions with other related parties

	2024	2023
	Assets (Liabilities)	
Others (i)	(1,795)	-

	2024	2023	2022
	Revenues (expenses)		
Others (i)	-	-	(1,112)

- (i) In the second quarter of 2024, Nu entered into a commercial relationship with a company where one of its Directors serves as CEO. As part of this agreement, Nu received a cash incentive, which will be recognized as a reduction in intangible costs upon the Company's satisfaction of certain conditions.

b) Management compensation

There are no significant post-employment benefits, such as pensions and other retirement benefits. The remuneration of the directors and other key management personnel of the Group is set out in aggregate below:

	2024	2023	2022
Consolidated statements of income			
Fixed and variable compensation	96,007	60,117	122,892

Management compensation includes the compensation of remunerated members of the Board of Directors and of Executive Officers.

30. Fair value measurement

The main valuation techniques employed in internal models to measure the fair value of the financial instruments as of December 31, 2024 and 2023 are set out below. The principal inputs into these models are derived from observable market data. The Group did not make any material changes to its valuation techniques and internal models in those periods.

a) Fair value of financial instruments carried at amortized cost

The following tables show the fair value of the financial instruments carried at amortized cost as of December 31, 2024 and 2023. The Group has not disclosed the fair values of financial instruments such as compulsory and other deposits at central banks, other receivables, other financial assets at amortized cost, deposits in electronic money and RDB because the carrying amounts are a reasonable approximation of fair value.

	2024				2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Credit card receivables (i)	12,259,276	-	-	13,188,240	12,414,101	-	-	12,821,731
Loans to customers (i)	5,321,885	-	-	5,639,873	3,201,636	-	-	3,212,542
Compulsory and other deposits at central banks	6,743,336				7,447,483			
Other receivables	1,413,443				1,689,030			
Other financial assets	78,147				131,519			
Securities	885,418	544,845	330,745	-	104,420	-	104,668	-
Total	26,701,505	544,845	330,745	18,828,113	24,988,189	-	104,668	16,034,273
Liabilities								
Deposits in electronic money	6,796,826				2,388,601			
Bank receipt of deposits (RDB)	21,511,844				21,054,443			
Bank certificate of deposit (CDB)	546,395	-	545,474	-	248,086	-	249,009	-
Payables to network	9,333,541	-	8,693,972	-	9,755,285	-	9,605,576	-
Borrowings and financing (ii)	1,730,357	-	1,737,303	-	1,136,344	-	1,136,978	-
Total	39,918,963	-	10,976,749	-	34,582,759	-	10,991,563	-

- (i) For 2023, excludes the fair value adjustment from the hedge accounting. As of December 31, 2024, the Company no longer has derivatives for the hedge of the portfolio's interest rate risk.
- (ii) Borrowings and financing include the fair value calculated by the discounted cash flow method and also in cases in which the fair value is the same amount as the book value (cases with prepayment clauses at the amortized cost). The fair value of floating rate demand deposits is assumed to be equal to carrying amounts.

The valuation approach to specific categories of financial instruments is described below.

i) Fair value models and inputs

Credit card: The fair values of credit card receivables and payables to the network are calculated using the discounted cash flow method. Fair values are determined by discounting the contractual cash flows by the interest rate curve and credit spread. For payables, cash flows are also discounted by the Group's own credit spread.

Loans to customers: Fair value is estimated based on groups of customers with similar risk profiles, using valuation models. The fair value of a loan is determined by discounting the contractual cash flows by the interest rate curve and a credit spread.

Other receivables: Fair value is calculated by discounting future cash flows by the interest rate curve and a credit spread.

b) Fair value of financial instruments measured at fair value

The following table shows a summary of the fair values, as of December 31, 2024 and 2023, of the financial assets and liabilities indicated below, classified on the basis of the various measurement methods used by the Group to determine their fair value:

	2024			
	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Assets				
Cash and cash equivalents				
Short-term investments	161,094	8,671	-	169,765
Government bonds				
Brazil	8,325,054	-	-	8,325,054
United States	177,006	-	-	177,006
Mexico	419,159	-	-	419,159
Colombia	28,023	-	-	28,023
Corporate bonds and other instruments				
Certificate of bank deposits (CDB)	-	1,365	-	1,365
Investment funds	86,802	36,615	-	123,417
Time deposit	-	303,970	-	303,970
Notes	-	51,029	-	51,029
Bill of credit (LC)	-	10	-	10
Real estate and agribusiness certificate of receivables	-	9,430	-	9,430
Real estate and agribusiness letter of credit	-	1,283	-	1,283
Corporate bonds and debentures	1,039,320	86,790	-	1,126,110
Equity instrument	-	-	12,900	12,900
Derivative financial instruments	219	24,580	50,665	75,464
Collateral for credit card operations	-	336	-	336
Liabilities				
Derivative financial instruments	2,500	29,829	-	32,329
Repurchase agreements	-	308,583	-	308,583

	2023			
	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Assets				
Government bonds				
Brazil	7,475,904	-	-	7,475,904
United States	126,914	-	-	126,914
Mexico	1,407	-	-	1,407
Corporate bonds and other instruments				
Certificate of bank deposits (CDB)	-	5,770	-	5,770
Investment funds	-	70,967	-	70,967
Time deposit	-	194,390	-	194,390
Bill of credit (LC)	-	1	-	1
Real estate and agribusiness certificate of receivables (CRIs/CRA's)	234	17,839	-	18,073
Real estate and agribusiness letter of credit (LCIs/LCAs)	-	186	-	186
Corporate bonds and debentures	1,124,154	143,354		1,267,508
Equity instrument	-	-	13,199	13,199
Derivative financial instruments	3,079	17,882	20	20,981
Collateral for credit card operations	-	320	-	320
Liabilities				
Derivative financial instruments	4	28,169	-	28,173
Instruments eligible as capital	-	3,988	-	3,988
Repurchase agreements	-	210,454	-	210,454

i) Fair value models and inputs

Securities: The securities with high liquidity and quoted prices in the active market are classified as level 1. Therefore, all government bonds and some corporate bonds are included in level 1 as they are traded in active markets. Brazilian securities values are the published prices by the "*Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais*" ("Anbima"). For US and Mexico bonds, fair values are the published prices by Bloomberg. Other corporate bonds and investment fund shares, the valuation of which is based on observable data, such as interest rates and interest rate curves are classified as level 2. Credit Rights Investment Funds ("FIDCs") a type of Investment fund comprised of fixed rate receivables from retail customers are classified at level 3 of the fair value hierarchy with fair value calculated using the discounted cash flow model, based on the underlying assets of the fund.

Derivatives: Derivatives traded on stock exchanges are classified as level 1 of the hierarchy. Derivatives traded on the Brazilian stock exchange are fairly valued using B3 quotations. Swaps are valued by discounting future expected cash flows to present values using interest rate curves and are classified as level 2. Total Return Swaps are also valued by discounting expected cash flows, with the particularity that the equity leg expected cash flow is the last observed price, following non-arbitrage principles. Call options and Warrants are valued using internal models, hence classified as level 3.

Equity instrument: For the fair value of the equity instrument, the Group used contractual conditions as inputs that are not directly observable, and therefore it is classified as level 3.

Instruments eligible as capital: If the instrument has an active market, prices quoted in this market are used. Otherwise, valuation techniques are used, such as discounted cash flows, where cash flows are discounted by a risk-free rate and a credit spread. Instruments eligible as capital were designated at fair value through profit (loss) in the initial recognition (fair value option).

Repurchase agreements: The fair value is calculated by utilizing discounted cash flow.

c) Reconciliation of fair value measurements in Level 3

The table below shows a reconciliation from the opening to the closing balances for recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

	2024			
	Equity instrument	Derivative financial instruments	Investment funds	Total
Financial assets at beginning of year	13,199	20	-	13,219
Acquisitions	-	50,635	97,457	148,092
Total gains or losses	(299)	10	81	(208)
<i>In profit or loss</i>	(299)	10	5,933	5,644
<i>In OCI</i>	-	-	(5,852)	(5,852)
Transfer out of Level 3 (i)	-	-	(86,028)	(86,028)
Effect of changes in exchange rates (OCI)	-	-	(11,510)	(11,510)
Financial assets at end of year	12,900	50,665	-	63,565

(i) In November 2024, the Group obtained control of an investment fund (FIDC) recorded as level 3 in the fair value hierarchy. As a result, the Group began consolidating the assets and liabilities of this fund in these Consolidated Financial Statements.

	2023		
	Equity instrument	Derivative financial instruments	Total
Financial assets at beginning of year	22,082	27,908	49,990
Total gains or losses	(8,883)	(27,888)	(36,771)
<i>In profit or loss</i>	(8,883)	(27,888)	(36,771)
Financial assets at end of year	13,199	20	13,219

	2022		
	Equity instrument	Derivative financial instruments	Total
Financial assets at beginning of year	30,735	19,756	50,491
Total gains or losses	(8,653)	8,152	(501)
<i>In profit or loss</i>	(8,653)	8,152	(501)
Financial assets at end of year	22,082	27,908	49,990

d) Transfers between levels of the fair value hierarchy

For the year ended December 31, 2024, 2023 and 2022 there were no material transfers of financial instruments between levels 1 and 2 or between levels 2 and 3.

31. Income tax

Current and deferred taxes are determined for all transactions that have been recognized in the consolidated financial statements using the provisions of the current tax laws. The current income tax expense or benefit represents the estimated taxes to be paid or refunded, respectively, for the current period. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities. They are measured using the tax rates and laws that will be in effect when the temporary tax differences and tax loss carryforward are expected to reverse.

a) Income tax reconciliation

The tax on the Group's pre-tax profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. Thus, the following is a reconciliation of income tax expense to profit for the period, calculated by applying the combined Brazilian income tax rate of 40% for the year ended December 31, 2024, 2023 and 2022.

	2024	2023	2022
Profit before income tax	2,795,198	1,539,078	(308,901)
Tax rate (i)	40%	40%	41%
Income tax	(1,118,079)	(615,631)	126,649
Permanent additions/exclusions			
Share-based payments	(8,175)	(16,880)	(11,757)
Operational losses and others	(6,212)	(11,342)	(9,112)
Change in income tax rate	-	-	(2,531)
Contingent share award (CSA) - termination (iii)	-	-	(145,785)
Effect of different tax rates - subsidiaries and parent company	103,254	80,128	(31,765)
Interest on capital	44,246	32,731	-
Donations	32,863	-	-
Other amounts (ii)	129,017	22,446	18,568
Income tax	(823,086)	(508,548)	(55,733)
Current tax expense	(1,536,521)	(1,184,230)	(473,345)
Deferred tax benefit	713,435	675,682	417,612
Income tax in the statement of income	(823,086)	(508,548)	(55,733)
Deferred tax recognized in OCI	(11,899)	1,666	829
Income tax	(834,985)	(506,882)	(54,904)
Effective tax rate	29.4%	33.0%	18.0%

- (i) The tax rate used was the one applicable to the Brazilian financial subsidiaries, which represents the most significant portion of the operations of the Group. The tax rate used is not materially different from the average effective tax rate considering all jurisdictions where the Group has operations. The effect of other tax rates is shown in the table above as “effect of different tax rates – subsidiaries and parent company”.
- (ii) Mostly related to the amount of non-taxable income, incentives and non-taxable interests on recoverable taxes.
- (iii) The amount is related to the termination of the Contingent Share Award (CSA) as described in note 10b.

b) Deferred income taxes

The following tables present significant components of the Group's deferred tax assets and liabilities as of December 31, 2024, 2023 and 2022, and the changes for both periods. The accounting records of deferred tax assets on income tax losses and/or social contribution loss carryforwards, as well as those arising from timing differences, are based on technical feasibility studies which consider the expected generation of future taxable income, considering the history of profitability for each subsidiary individually. The use of the deferred tax asset related to tax loss and negative basis of social contribution is limited to 30% of taxable profit per year for the Brazilian entities and there is no time limit to use it.

	2023	Other	Recognized in the statement of income			Recognized in OCI	2024
			Constitution	Realization	Foreign exchange		
Provisions for credit loss	1,330,733	-	1,267,994	(752,222)	(340,419)	-	1,506,086
Provision PIS/COFINS - Financial Revenue	(2,108)	-	-	2,108	-	-	-
Other temporary differences (i)	192,070	10	189,706	(41,209)	(80,204)	(59)	260,314
Total deferred tax assets on temporary differences	1,520,695	10	1,457,700	(791,323)	(420,623)	(59)	1,766,400
Tax loss and negative basis of social contribution	92,918	45	87,296	(13,343)	(21,313)	-	145,603
Deferred tax assets	1,613,613	55	1,544,996	(804,666)	(441,936)	(59)	1,912,003
Futures settlement market	(11,509)	-	(928)	2,820	471	-	(9,146)
Fair value changes - financial instruments	(9,332)	(16)	(61,851)	170	9,287	(349)	(62,091)
Others	(54,937)	-	(5,098)	25,200	12,408	-	(22,427)
Deferred tax liabilities	(75,778)	(16)	(67,877)	28,190	22,166	(349)	(93,664)
Deferred tax, offset	1,537,835	39	1,477,119	(776,476)	(419,770)	(408)	1,818,339
Fair value changes - cash flow hedge	(5,375)	-	12,792	-	1,105	(11,491)	(2,969)
Deferred tax recognized during the year		39	1,489,911	(776,476)		(11,899)	

(i) Other temporary differences are composed mainly of other provisions and financial instruments taxes as of December 31, 2024. As of December 31, 2023, other temporary differences were composed mainly of other provisions and supplier provisions.

	2022	Recognized in the statement of income			Recognized in OCI	2023
		Constitution	Realization	Foreign exchange		
Provisions for credit loss	583,791	1,067,729	(385,564)	64,777	-	1,330,733
Provision PIS/COFINS - Financial Revenue	6,299	-	(6,787)	(1,620)	-	(2,108)
Other temporary differences (i)	123,103	103,257	(45,132)	10,842	-	192,070
Total deferred tax assets on temporary differences	713,193	1,170,986	(437,483)	73,999	-	1,520,695
						-
Tax loss and negative basis of social contribution	97,857	61,047	(72,662)	6,676	-	92,918
Deferred tax assets	811,050	1,232,033	(510,145)	80,675	-	1,613,613
Futures settlement market	(13,739)	(3,082)	5,772	(460)	-	(11,509)
Fair value changes - financial instruments	(3,291)	(3,537)	(194)	(360)	(1,950)	(9,332)
Others	(24,088)	(59,381)	25,635	2,897	-	(54,937)
Deferred tax liabilities	(41,118)	(66,000)	31,213	2,077	(1,950)	(75,778)
Deferred tax, offset	769,932	1,166,033	(478,932)	82,752	(1,950)	1,537,835
Fair value changes - cash flow hedge	(1,758)	107,410	(118,829)	7,802	3,616	(5,375)
Deferred tax recognized during the year		1,273,443	(597,761)		1,666	

- (i) Other temporary differences are composed mainly of other provisions and financial instruments taxes as of December 31, 2024. As of December 31, 2023 and 2022 other temporary differences were composed mainly of other provisions and supplier provisions.

	2021	Reflected in the statement of profit (loss)			Reflected in OCI	2022
		Constitution	Realization	Foreign exchange		
Provisions for credit loss	204,459	600,227	(221,817)	922	-	583,791
Provision PIS/COFINS - Financial Revenue	5,965	-	-	334	-	6,299
Other temporary differences	72,343	68,971	(34,313)	3,927	-	123,103
Total deferred tax assets on temporary differences	282,767	669,198	(256,130)	5,183	-	713,193
Tax loss and negative basis of social contribution	77,985	19,930	(5,707)	5,649	-	97,857
Deferred tax assets	360,752	689,128	(261,837)	10,832	-	811,050
Futures settlement market	(18,850)	(7,821)	13,730	(798)	-	(13,739)
Fair value changes - financial instruments	(2,144)	(3,744)	4,634	(51)	(1,986)	(3,291)
Others	(8,340)	46,446	(60,338)	(1,856)	-	(24,088)
Deferred tax liabilities	(29,334)	34,881	(41,974)	(2,705)	(1,986)	(41,118)
Fair value changes - cash flow hedge	1,057	17,608	(20,194)	(229)	2,815	(1,758)
Deferred tax recognized during the period		741,617	(324,005)		829	

- (i) Other temporary differences are composed mainly of other provisions and financial instruments taxes as of December 31, 2024. As of December 31, 2023 and 2022 other temporary differences were composed mainly of other provisions and supplier provisions.

c) Tax liabilities

	2024	2023
Taxes and contributions on income (i)	1,033,501	1,217,369
Other taxes	68,586	83,476
Total Tax liabilities	1,102,086	1,300,845

(i) Taxes and contributions on income are current obligations related to taxes on profit.

32. Equity

The table below presents the changes in shares issued and fully paid and shares authorized, by class, as of December 31, 2024, 2023 and 2022:

Shares authorized and fully issued	Note	Class A Ordinary shares	Class B Ordinary shares	Total
Conversion of class B shares in class A shares		3,459,743,431	1,150,245,114	4,609,988,545
Conversion of class B shares in class A shares		58,312,073	(58,312,073)	-
SOPs exercised and RSUs vested	10	64,418,580	-	64,418,580
Shares withheld for employees' taxes	10	(8,536,770)	-	(8,536,770)
Issuance of class A shares - Cognitect and Juntos acquisitions		1,362,201	-	1,362,201
Issuance of shares due to IPO over-allotment		27,555,298	-	27,555,298
Total as of December 31, 2022		3,602,854,813	1,091,933,041	4,694,787,854
Conversion of class B shares in class A shares		8,620,899	(8,620,899)	-
SOPs exercised and RSUs vested	10	68,312,944	-	68,312,944
Shares withheld for employees' taxes	10	(8,848,203)	-	(8,848,203)
Shares repurchased		(290,676)	-	(290,676)
Share issued to service providers		4,355,374	-	4,355,374
Issuance of class A shares - Olivia acquisition		6,097,262	-	6,097,262
Issuance of class A shares - Spin Pay acquisition		877,665	-	877,665
Issuance of class A shares - Cognitect acquisition		644,934	-	644,934
Total as of December 31, 2023		3,682,625,012	1,083,312,142	4,765,937,154
Conversion of class B shares in class A shares		32,711,444	(32,711,444)	-
SOPs exercised and RSUs vested	10	53,394,031	-	53,394,031
Shares withheld for employees' taxes		(8,860,778)	-	(8,860,778)
Shares issued to service providers		97,594	-	97,594
Issuance of class A shares - business acquisitions		8,090,639	-	8,090,639
Total as of December 31, 2024		3,768,057,942	1,050,600,698	4,818,658,640

Shares authorized and unissued	Class A Ordinary shares	Class B Ordinary shares	Total
Business combination - contingent share consideration	-	-	957,172
Reserved for the share-based payments	-	-	275,802,771
Shares authorized which may be issued class A or class B	-	-	43,508,022,627
Shares authorized and unissued as of December 31, 2024	-	-	43,784,782,570
Shares authorized issued	3,768,057,942	1,050,600,698	4,818,658,640
Total as of December 31, 2024	3,768,057,942	1,050,600,698	48,603,441,210

a) Other share events

As of December 31, 2024, the Company had authorized and unissued ordinary shares, which were related to commitments from acquisitions of entities, the issuance due to share-based payment plans (note 10) and authorized for future issuance without determined nature. These shares could be either class A or class B ordinary shares.

In the year ended December 31, 2024, the Company concluded private issuances of a total of 97,594 Class A shares as consideration paid to acquire services from third party providers (4,355,374 Class A shares issued in the year ended December 31, 2023).

b) Share capital and share premium reserve

All share classes of the Company had a nominal par value of US\$0.0000067 on December 31, 2024 and 2023, and the total amount of share capital was US\$84 (US\$84 as of December 31, 2023).

Share premium reserve relates to amounts contributed by shareholders over the par value at the issuance of shares.

The total of exercised Stock Options (SOP) was US\$5,546 for the year ended December 31, 2024 (US\$9,148 and US\$4,505 for the years ended December 31, 2023 and 2022).

c) Accumulated gains

The accumulated gains include the accumulated profit (losses) of the Group and the share-based payment reserve amount, as shown in the table below.

As described in note 10, the Group's share-based payments include incentives in the form of SOPs, RSUs and Awards. Further, the Company can use the reserve to absorb accumulated losses.

	2024	2023	2022
Accumulated Gain	2,280,302	329,468	(701,062)
Share-based payments reserve	1,140,294	947,481	765,639
Total attributable to shareholders of the parent company	3,420,596	1,276,949	64,577
Total accumulated gains	3,420,596	1,276,949	64,577

d) Shares repurchased and withheld

Shares may be repurchased from certain former employees when they leave the Group, as a result of contractual terms of deferred payments on business combinations, or withheld because of RSUs plans to settle the employee's tax obligation. These shares repurchased or withheld are canceled and cannot be reissued or subscribed. During the year ended December 31, 2024 and 2023, the following shares were repurchased or withheld:

	2024	2023	2022
Number of shares repurchased	-	290,676	-
Total value of shares repurchased	-	-	-
Number of shares withheld - RSU	8,860,778	8,848,203	8,536,770
Total value of shares withheld - RSU	100,847	52,242	51,212

e) Accumulated other comprehensive income (loss)

Other comprehensive income (loss) includes the amounts, net of the related tax effect, of the adjustments to assets and liabilities recognized in equity through the consolidated statement of comprehensive income.

Other comprehensive income that may be subsequently reclassified to profit or loss is related to cash flow hedges that qualify as effective hedges and currency translation that represents the cumulative gains and losses on the retranslation of the Group's investment in foreign operations. These amounts will remain under this heading until they are recognized in the consolidated statement of income in the periods in which the hedged items affect it, for example, in the case of the cash flow hedge.

The own credit reserve reflects the cumulative own credit gains and losses on financial liabilities designated at fair value. Amounts in the own credit reserve are not reclassified to profit or loss in future periods.

The accumulated balances are as follows:

	2024	2023	2022
Cash flow hedge effects, net of deferred taxes	22,750	12,417	(7,486)
Currency translation on foreign entities	(862,977)	135,497	(108,356)
Changes in fair value - financial instruments at FVTOCI, net of deferred taxes	11,582	7,998	(22,298)
Own credit adjustment effects	478	518	489
Total	(828,167)	156,430	(137,651)

33. Management of financial risks, financial instruments, and other risks

a) Overview

The Group monitors all the risks that could have a material impact on its strategic objectives, including those that must comply with applicable regulatory requirements. To efficiently manage and mitigate these risks, the risk management structure conducts risk identification and assessment to prioritize the risks that are key when pursuing potential opportunities and/or that may prevent value from being created or that may compromise existing value, with the possibility of impacting financial results, capital, liquidity, customer relationships and reputation.

b) Risk management structure

Nu considers Risk Management an important pillar of the Group's strategic management. The risk management structure broadly permeates the entire Group, with the objective of ensuring that risks are properly identified, measured, mitigated, monitored, and reported, to support the development of its activities. Risk Management is related to the principles, culture, structures, and processes to improve the decision-making process and the achievement of strategic objectives. It is a continuous and evolving process that runs through Nu's entire strategy, to support Management in minimizing its losses, as well as maximizing its profits and underscoring the Group's values.

The Group's risk management structure considers the size and complexity of its business, which allows tracking, monitoring, and control of the risks to which it is exposed. The risk management process is aligned with management guidelines, which, through committees and other internal meetings, define strategic objectives, including risk appetite. Conversely, the capital control and capital management units provide support through risk and capital monitoring and analysis processes.

The Group considers a risk appetite statement ("RAS") to be an essential instrument to support risk management and decision making. The Board of Directors reviews and approves the RAS, as guidelines and limits for the business plan and capital deployment. Nu has defined a RAS (aligned to local regulatory requirements) that prioritizes the main risks and, for each of these, qualitative statements and quantitative metrics expressed in relation to earnings, capital, risk measures, liquidity and other relevant measures were implemented, as appropriate.

Nu operates on the three-line model, which helps to identify structures and processes that best support the achievement of objectives and facilitate a robust governance and risk management structure.

- **First line:** business functions and support functions/areas or activities that generate exposure to risk, whose managers are responsible for managing them in accordance with policies, limits and other conditions defined and approved by the Board. The first line must have the means to identify, measure, treat and report risks.
- **Second line:** consisting of the areas of Risk Management, Internal Controls and Compliance, it is responsible for ensuring an effective control of risks and that they are managed in accordance with the defined appetite level. Responsible for proposing risk management policies, developing risk models and methodologies, and first-line supervision.
- **Third line:** composed of the Internal Audit, it is responsible for periodically and independently evaluating whether policies, methods and procedures are adequate, in addition to verifying their effective implementation.

Another important element of the risk management framework is the structure of Technical Forums and Committees. These governance bodies were designed and implemented to monitor and make decisions on aspects associated with the Group's management and control. Nu has implemented this structure both at a Global and a country-level perspective, as described below.

Global risk-related Governance body:

- **Audit and Risk Committee:** established as a Board of Director level committee in order to assist the Board in fulfilling its oversight responsibilities to the Company's shareholders with respect to: evaluating the performance and progress of the work of the Internal Audit, the independent audit, as well as the respective reports related to the internal control systems, following the recommendations made by the internal and independent auditors to management, reviewing and discussing with management and the independent auditor the annual audited financial statements and unaudited quarterly financial statements, overseeing the performance of overall Nu's risk management framework and control functions, and monitoring the level of risk exposure according to the RAS (consolidated view by country). It consists of at least three independent members and meets at least quarterly.

Country-level risk-related Governance bodies:

Each of the countries where the Group has operations established a structure of governance based on the relevant regulatory requirements and composed of the following elements. Depending on the nature of the subject to be managed, some Committees and meetings can be grouped to cover more than one country.

- **Risk Committee:** its objective is to assist the country's executive officers in the performance of the entity's risk management and control functions, monitoring the level of risk exposure according to risk appetite. It also aims to adopt strategies, policies and measures aimed at disseminating a culture of internal controls and risk mitigation.
- **Credit Committee:** its objective is to review and supervise credit strategies, as well as review the impacts on the subsidiary's results, and to review the credit strategies in light of the macroeconomic environment and risk information, on the credit market and on competitors.
- **Audit Committee:** its main duties are to evaluate the performance and progress of the work of the Internal Audit function, the independent auditors, and the respective reports related to the internal control systems, to follow the recommendations made by internal and independent auditors to management, and to review and discuss with management and the independent auditor the annual audited financial statements and unaudited quarterly financial statements.
- **Technical Forums:** regular meetings to discuss and propose recommendations to the country-level Risk Committee. Depending on the materiality in each of the countries, each of the following risks listed below may have its own Technical Forum, with the participation of executives from associated areas: accounting and tax, asset and liability management ("ALM") / capital, operational risk and internal control, information technology and cyber risks ("IT"), data protection, Compliance, anti-money laundering ("AML"), fraud prevention, stress tests, wholesale credit, sustainability risk and credit provisions. Each Technical Forum has its own charter, establishing the scope of work, voting members and other working model attributes.

c) Risks actively monitored

Risks that are actively monitored by the Group include Credit Risk, Liquidity, Market Risk, Interest Rate Risk in the Banking Book (IRRBB), Foreign exchange (FX), Operational, IT and Cyber, Regulatory, Compliance and AML (Anti-money laundering), Reputational Risk and Risk from Cryptocurrency business. The management of these risks is carried out according to the three-line model, considering policies and procedures in place, as well as the limits established in the RAS. Also, there is a Stress Testing program in place.

Each of the risks described below has its own methodologies, systems and processes for its identification, measurement, evaluation, monitoring, reporting, control, and mitigation.

In the case of financial risks, such as credit, liquidity, IRRBB and market risk, the measurement is carried out based on quantitative models and, in certain cases, prospective scenarios in relation to the main variables involved, respecting the applicable regulatory requirements and best market practices. Non-financial risks, such as operational risk and technological/cyber risks, are measured using impact criteria (inherent risk), considering potential financial losses, reputational damage, customer perception and legal/regulatory obligations, as well as evaluated in relation to the effectiveness of the respective structure of internal controls.

Based on the results of the measurement and risk assessment activities, the adherence of the residual exposure to Nu's risk appetite is verified. Necessary actions to mitigate risks are presented and discussed in the governance structure (Technical Forums and Risk Committees), which are also the channels responsible for approving and monitoring the implementation of action plans.

- **Credit risk**

Credit risk is defined as the possibility of losses associated with failure of customers or counterparties to pay their contractual obligations; the depreciation or reduction of the expected gains from financial instruments due to the deterioration of the credit quality of customers or counterparties; the costs of recovering the deteriorated exposure; and any advantage given to customers or counterparties due to deterioration in their credit quality.

The credit risk control and management structure is independent of the business units, being responsible for the processes and tools to measure, monitor, control and report the credit risk of products and other financial operations, continuously verifying their adherence to the policies and structure of approved limits. There is also an assessment of the possible impacts arising from changes in the economic environment, to ensure that the loan portfolio is resilient to economic crises.

Credit risk management is carried out by the Credit Risk team with a centralized role independent of the business units, being responsible for:

- Establishing governance, policies and procedures aimed at maintaining exposure to credit risks in accordance with the levels set in the RAS;
- Monitoring and notifying management of the risk levels (appetite compliance) of the credit portfolio, including recommendations for improvement, when applicable;
- Identifying and assessing inherent risks and respective mitigators in the launch of new products and significant changes in existing processes; and
- Estimating the expected losses according to consistent and verifiable criteria.

The Group's outstanding balance of financial assets and other exposures to credit risk is shown in the table below:

	2024	2023
Financial assets		
Cash and cash equivalents	9,185,742	5,923,440
Securities	665,242	368,574
Derivative financial instruments	75,464	20,981
Collateral for credit card operations	336	320
Financial assets at fair value through profit or loss	741,042	389,875
Securities	9,913,517	8,805,745
Financial assets at fair value through other comprehensive income	9,913,517	8,805,745
Credit card receivables	12,259,276	12,414,133
Loans to customers	5,321,885	3,202,334
Compulsory and other deposits at central banks	6,743,336	7,447,483
Other receivables	1,413,443	1,689,030
Other financial assets	78,147	131,519
Securities	885,418	104,420
Financial assets at amortized cost	26,701,505	24,988,919
Other exposures		
Unused limits (i)	17,663,606	16,998,572
Credit Commitments	17,663,606	16,998,572

(i) Unused limits are not recorded in the statement of financial position but are considered in the measurement of the ECL because it represents credit risk exposure.

Liquidity risk

Liquidity risk is defined as:

- the ability of an entity to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses; and
- the possibility of not being able to easily exit a financial position due to its size compared to the traded volume in the market.

The liquidity risk management structure uses future cash flow data, applying what Nu believes to be a severe stress scenario to these cash flows, to measure whether the volume of high-quality liquid assets that the Group holds is sufficient to guarantee its resilience. The liquidity indicators are monitored daily, using procedures approved by Management, and compared with the approved limit structure, in accordance with the Group's declared appetite.

Among the main liquidity indicators, Nu uses:

- **Short-Term Liquidity Ratio:** the Group uses an internal methodology which measures whether it holds sufficient high quality liquid assets to cover short term (unexpected) outflows in a severe stress scenario.
- **Funding Ratios and Gaps:** to guarantee long term Balance Sheet stability, the Group establishes conservative limits for the ratios and cumulative gaps (the value difference) between assets and liabilities in all future maturity buckets, using expected behavioral maturities, calculated with historical internal data.

The Group has a detailed Contingency Funding Plan for each entity, describing management actions that must be taken in the event of a deterioration of the liquidity indicators.

Primary sources of funding - by maturity

Funding Sources	2024				2023			
	Up to 12 months	Over 12 months	Total	%	Up to 12 months	Over 12 months	Total	%
Bank receipt of deposits (RDB) (i)	21,402,435	109,409	21,511,844	91%	20,900,095	154,348	21,054,443	94%
Borrowings and financing	414,291	1,316,066	1,730,357	7%	113,595	1,022,749	1,136,344	5%
Bank certificate of deposit (CDB)	462,407	83,988	546,395	2%	213,707	34,379	248,086	1%
Instruments eligible as capital	-	-	-	0%	-	3,988	3,988	0%
Total	22,279,133	1,509,463	23,788,596	100%	21,227,397	1,215,464	22,442,861	100%

(i) Considering the earliest date the customer can redeem, which is the worst-case scenario from the perspective of the Group. For liquidity risk management, Nu considers a run-off scenario, according to historical customer behavior.

Maturities of financial assets and liabilities

The table below summarizes the Group’s financial assets contractual undiscounted cash flows and their contractual maturities:

	2024					
	Carrying amount	Total	Up to 1 month	1 to 3 months	3 to 12 months	Over 12 months
Financial assets						
Credit card receivables (i)	12,259,276	13,300,137	5,954,563	4,272,614	2,932,397	140,563
Securities	11,464,177	11,517,060	706,146	104,486	925,604	9,780,824
Compulsory and other deposits at central banks	6,743,336	6,743,336	6,743,336	-	-	-
Cash and cash equivalents	9,185,742	9,185,742	9,185,742	-	-	-
Loans to customers (i)	5,321,885	7,202,487	1,155,476	1,885,352	2,808,762	1,352,897
Other receivables	1,413,443	956,177	430,932	275,772	249,473	-
Other assets	663,578	663,578	663,578	-	-	-
Total Financial Assets	47,051,437	49,568,517	24,839,773	6,538,224	6,916,236	11,274,284

(i) The cash flows for Credit card receivables and Loans to customers consider only operations that are not overdue.

The tables below summarize the Group's financial liabilities and their contractual maturities:

	2024					
	Carrying amount	Total (iii)	Up to 1 month	1 to 3 months	3 to 12 months	Over 12 months
Financial liabilities						
Derivative financial instruments	32,329	35,576	6,481	-	28,533	562
Repurchase agreements	308,583	308,812	308,812	-	-	-
Deposits in electronic money (i)	6,796,826	6,796,387	5,713,368	1,033,320	49,699	-
Bank receipt of deposits (RDB) (ii)	21,511,844	22,407,864	20,847,597	447,268	870,514	242,485
Bank certificate of deposit (CDB)	546,395	598,754	41,140	127,829	320,094	109,691
Payables to credit card network	9,333,541	9,346,230	4,332,769	2,441,461	2,203,369	368,631
Borrowings and financing	1,730,357	2,075,141	-	2,897	471,784	1,600,460
Total Financial Liabilities	40,259,875	41,568,765	31,250,167	4,052,775	3,943,993	2,321,829

- (i) In accordance with regulatory requirements and in guarantee of these deposits, the Group holds the total amount of US\$51,128 in eligible securities composed of Brazilian government bonds as described in note 12b, under a dedicated account within the Central Bank of Brazil as of December 31, 2024 (US\$23,050 as of December 31, 2023).
- (ii) Considering the earliest date in which the customer can withdraw the deposit. The expected redemption rate for Nu's deposits, used within the previously described liquidity risk management framework is estimated based on observed historic customer behavior.
- (iii) The total was projected considering the exchange rate of Brazilian Reais, Mexican and Colombian Pesos to US\$ as of December 31, 2024.

The unused limit of credit cards is the pre-approved limit that has not yet been used by the customer and represents the current maximum potential credit exposure. Therefore, it does not represent the real need for liquidity arising from commitments. When customers begin utilizing their unused limits, the duration of the credit card receivables are expected to be shorter than the duration of the payables to network.

In view of the asset allocation profile presented above, the Group establishes a funding plan with the aim of maintaining a healthy financial position in the short and long term. The main source of funding is the deposit franchise (Deposits in electronic money and Bank receipt of deposits), which the Group aims to match with a liquidity cushion on the asset side. Securities are mainly composed of Government Bonds, which may have longer maturities (as demonstrated in the table above), but are traded in a market that has historically had high liquidity.

Additionally, despite being contractually redeemable in the short term, the deposits balance to be a growing financing instrument, used alongside with other debt issuances to guarantee a proper mix of funding sources.

The Group monitors and utilizes this information as part of its mechanism for managing liquidity risk.

Market risk and interest rate risk in the banking book (IRRBB)

Market risk is defined as the risk of losses arising from movements in market risk factors, such as interest rate risk, equities, foreign exchange (FX) rates and commodities prices. IRRBB refers to the current or prospective risk to an entity's capital and earnings arising from adverse movements in interest rates that affect the banking book positions.

A market risk and IRRBB control and management structure, operating independently from the business units, is responsible for the processes and tools to measure, monitor, control and report the market risk and IRRBB, while continuously verifying compliance with approved policies and limits.

Management of market risk and IRRBB is based on metrics that are reported to the Asset & Liability Management and Capital ("ALM") Technical Forum and to the country-level Risk Committee. Management is authorized to use financial instruments as outlined in the Group's internal policies to hedge market risk & IRRBB exposures.

Management of market risk and interest rate risk in the banking book (IRRBB) is based on the following metrics:

- Interest Rate Sensitivity (DV01): impact on the market value of cash flows, when submitted to a one basis point increase in the current annual interest rates or index rate;
- Value at Risk (VaR): maximum market value loss for a holding period with a confidence level; and
- FX exposures: considering all financial positions that bring FX risk and operational expenses in other currencies.

In Brazil, the Brazilian Central Bank (BCB) requires an assessment of the sufficiency of capital for the interest rate risk of the banking book (IRRBB) based on Delta EVE and Delta NII metrics. The Group calculates these metrics in Brazil according to the regulator standard for managing this capital requirement. Delta EVE is the change in the Group's economic value of equity in the scenarios prescribed by the BCB. Delta NII is the change in the Group's net interest income in the same standard prescribed scenarios.

The table below presents the Value at Risk (VaR) calculated using a confidence level of 99% and a holding period of 10 days. The calculation is performed using a filtered historical simulation approach, based on a 5-year historical window. For Brazil and México, the VaR is calculated only for the Trading Book, in line with the portfolio management strategy.

VaR	2024	2023
Nu Brazil (i)	433	249
Nu Holdings (ii)	14,528	14,419
Nu México	651	323

- (i) Nu Prudential Conglomerate in Brazil.
- (ii) Considers only financial assets held directly by Nu Holdings as other subsidiaries do not have significant market risk exposures.

The following analysis presents the Group's sensitivity of the fair value to an increase of 1 basis point (“bp”) (DV01) in the Brazilian risk-free curve, Brazilian IPCA coupon curve, US risk-free curve and Mexican risk-free curve, assuming a parallel shift and a constant financial position:

DV01	2024	2023
Brazilian risk-free curve	(363)	(158)
Brazilian IPCA coupon	-	(5)
US risk-free curve	(155)	(136)
Mexican risk-free curve	(14)	2
Colombia risk-free curve	(53)	(18)

● Foreign exchange (FX) risk

The financial information may exhibit volatility due to the Group’s operations in foreign currencies, such as the Brazilian Real and the Mexican and Colombian Pesos. At the Nu Holdings level, there is no net investment hedge for investments in other countries.

As of December 31, 2024 and December 31, 2023, none of the entities of the Group had significant financial instruments in a currency other than their respective functional currencies.

Certain costs in US\$ and Euros, or intercompany loans in US\$, are hedged with FX derivatives based on projections of these costs, or when there are new exposures. Hedge transactions are adjusted when internal cost projections change and when the FX derivatives expire.

The functional currency of the entities in Brazil is the Brazilian Real. Certain costs in US Dollars and Euros, or intercompany loans in US\$, are hedged with futures contracts, traded on the B3 exchange, based on projections of these costs, or when there are new exposures. Hedge transactions are adjusted when internal cost projections change and when the FX derivatives expire. As a result, the consolidated financial statements have no significant exposures to exchange rates after the hedge transactions take effect.

● Operational risk

Operational risk is defined as the potential for losses resulting from external events or from failures, deficiencies or inadequacies of internal processes, people or systems. In this context, the legal risk associated with inadequacy or deficiency in contracts signed by Nu, sanctions due to non-compliance with legal provisions and compensation for damages to third parties arising from the activities developed by the Company must also be considered

The structure of control and management of operational risk and internal controls is independent of the business and support units, being responsible for the identification and assessment of operational risks, as well as for evaluating the design and effectiveness of the internal controls, covering risks such as system and services disruption, external fraud and failures in activities involved in payment scheme arrangements. This structure is also responsible for the preparation and periodic testing of the business continuity plan and for coordinating the risk assessment in new product launches and significant changes to existing processes.

Within the governance of the risk management process, mechanisms are presented to identify, measure, evaluate, monitor, and report operational risk events to each business and support areas, in addition to disseminating the control culture to other employees. The main results of risk assessments are presented in the Technical Forums and in the Risk Committee, when applicable. Applicable improvement recommendations result in action plans with planned deadlines and responsibilities.

- **Information Technology/Cyber ("IT") risk**

IT/Cyber risk is defined as the undesirable effects arising from a range of possible threats to the information technology infrastructure, including cybersecurity (occurrence of information security incidents), incident management (ineffective incident/problem management process, impact about service levels, costs and customer dissatisfaction), identity and access management (unauthorized access to sensitive information), data management (lack of compliance with data privacy laws or gaps in data management governance or data leakage issues), among others.

The structure of control and management of IT Risk is independent of the business and support units, being responsible for the identifying, evaluating, measuring, monitoring, controlling, and reporting Information Technology risks in relation to the risk appetite levels approved by the Board. The Group is committed to invest in controls and technologies to mitigate cyber threats and continually assesses Nu's exposure to threat risk and their potential impacts on the business and customers.

The results of the IT risk and controls assessments are regularly discussed at the Technical Forums and presented to the Risk Committee when applicable. The applicable improvement recommendations result in action plans with planned deadlines and responsibilities.

- **Regulatory risk**

In a complex and highly regulated environment, legislative and regulatory initiatives may result in significant changes to Nu's regulatory framework and consequently its business activities.

To address such risks Nu maintains teams in Brazil, Colombia and Mexico dedicated to monitoring these changes and engaging to explain their potential impacts to the Group and the broader financial industry.

Legislative and regulatory initiatives that can present a material impact to the Group are brought to the attention of the Risk Committee and the management team allowing the Group, when necessary, to adjust its strategy and decide on the best course of action to deal with such changes.

- **Compliance risk**

As the Group operates in a highly regulated environment, a robust Compliance program was established within the second line of defense. The Compliance team has resources dedicated to the Ethics Program, Regulatory Compliance as well as to Anti Money Laundering Program and Combating the Financing of Terrorism.

The Ethics Program sets the minimum conduct standards for the organization, including Code of Conduct, Compliance Policies, Training, and Awareness Campaigns, as well as an independent Whistleblower Channel. Some examples include the anti-bribery and corruption risks, conflict of interest, related parties, insider trading as well as any violations from Nu's Code of Conduct.

The Regulatory Compliance team is focused on overseeing the regulatory adherence of the organization. Main activities involve regulatory tracking and managing the regulatory adherence, assessment of new products and features, advisory, Compliance testing as well as centralizing the relationship with regulators regarding requests of information and exams. If not in compliance with laws and regulations, the Group may be exposed to sanctions, loss of license as well as potential criminal implications on management.

Nu's Anti Money Laundering (AML) Program represents the global framework and guidelines for AML and Combating Terrorism Financing (CTF) and is the basis for the AML team's strategic planning. It involves the risk of the company being exposed to sanctions for not implementing controls to avoid AML or terrorism financing.

The Program is structured in three levels - strategic, tactical and operational - and it is composed of 7 pillars (strategic level): Enterprise Risk Assessment; Policies and Procedures; Communication and Training; Know Your Customer (KYC); Due Diligence (KYE, KYS, KYP and KYB); MSAC - Monitoring, Selection, Analysis and Communication (SAR); and Effectiveness Assessment Program.

- **Reputational risk**

The Group believes that the materialization of other risks can negatively impact its reputation, as they are intrinsically connected. Unfavorable events in different risk areas such as business continuity, cyber security, ethics and integrity, social media negative activity, among others, can damage Nu's reputation.

Therefore, the Group has teams and processes in place dedicated to overseeing external communication and for crisis management, which are key elements in identifying and mitigating reputational events, as well as to gain long-term insight to better prevent or respond to future events.

- **Risks from cryptocurrency business**

In addition to the risks set out above, the Group's activities and services related to cryptocurrency (NuCrypto) generate specific risks which are directly related to cryptocurrency technology. NuCrypto may utilize the services of third-party licensed trust companies in the operation and management of the cryptocurrency business activity. The Group keeps a copy of the records maintained by the third-party as well as its own internal tracking of customers' assets for reconciliation purposes. NuCrypto may have a liability to indemnify customers under consumer protection laws (like any other supplier of goods and services in Brazil) but the agent is obligated to secure the assets and protect them from loss and theft. Currently, the majority of assets under custody are managed internally, and liquidity providers operate within a trust structure and carry insurance for potential losses which the Group would seek to make claims upon if required, with any benefit obtained being transferred to impacted customers.

- **Stress testing program**

The stress testing program considers shocks/impacts to Nu's main products, such as credit cards, personal loans and funding instruments, in addition to their respective sub-products. Scenarios are considered in which stress is applied in isolation, at different levels of intensity and probability, as well as scenarios in which managerial actions are considered to increase the Group's resilience and preserve its capital and liquidity indicators.

The proposed scenarios are presented to the Stress Testing Technical Forum. The scenarios to be addressed, duration and severity and plausibility of each shock are discussed, as well as the ways in which they will be modeled and the level of detail required. After modeling and executing the tests, the results are submitted to the appropriate committees and technical forums, an integral part of Nu's risk management structure. The proposed actions aimed at ensuring the Group's resilience are discussed and approved. The Stress Testing Program is updated annually and defines which tests the team must undertake in the next 12 months.

34. Capital management

The purpose of capital management is to maintain the capital adequacy for Nu's operation through control and monitoring of the capital position, to evaluate the capital necessity according to the risk appetite and strategic aim of the organization, and to establish a capital planning process following future requirements of regulatory capital, based on the Group's growth projections, risk exposure, market movements, and other relevant information. Also, the capital management structure is responsible for identifying sources of capital, writing and submitting the capital plan, and the capital contingency plan for approval by the Executive Directors.

Regulatory Capital Composition

a) Nu Prudential Conglomerate in Brazil

Brazil's Central bank defines a prudential conglomerate as a group of companies in which one regulated entity controls other regulated companies or investment funds. The conglomerate is classified as Type 3 when the regulated company that leads the conglomerate is a Payment Institution, which is the case of Nu Pagamentos.

The regulatory capital of the prudential conglomerate, defined by Brazil's Central Bank, consists of three key components:

- Common Equity Tier 1 (CET1) Capital: Consisting of paid-in capital, reserves, and retained earnings, after accounting for deductions and prudential adjustments.
- Additional Tier 1 (AT1) Capital: This includes debt instruments that have no specific maturity and can absorb losses, meeting the eligibility criteria set out by the Central Bank. The sum of CET1 and AT1 forms the overall Tier 1 Capital.
- Tier II Capital: This involves subordinated debt instruments with set maturity dates that meet eligibility requirements.

Type 3 institutions are required to implement capital rules as a prudential conglomerate. This implementation includes a phase-in rule for minimum capital requirements and prudential adjustments up to December 2024. Transitional rules are currently in effect and are outlined in the table below. The figures for 2025 represent the final implementation requirements.

Transitional Rule	Full year	
	2024	2025
Prudential Adjustments	60.0%	100.0%
Minimum CET1 (Including Buffers) (i)	5.75%	7.00%
Tier 1 Capital (Including Buffers) (i)	7.25%	8.50%
Conservation Capital Buffer (CCB)	1.25%	2.50%
Total Requirement	8.75%	10.50%

(i) Consider the baseline regulatory minimum plus any additional buffers as required by Brazil's Central Bank regulations.

The following table presents the calculated capital ratios for the CET1, Tier 1, and the Capital Adequacy Ratio (CAR) and outlines their minimum requirements for the prudential conglomerate under Brazil's current regulations:

Prudential conglomerate	2024	2023
Regulatory Capital	3,629,737	2,629,271
Tier I	3,250,052	2,396,007
Common equity capital	2,940,941	2,197,185
Additional	309,111	198,822
Tier II	379,685	233,263
Risk weighted assets (RWA)	20,071,878	19,261,517
Credit risk (RWA CPAD)	14,771,860	13,774,206
Market risk (RWA MPAD)	46,080	145,124
Operational risk (RWA OPAD)	4,506,187	4,036,285
Payment services risk (RWA SP)	747,751	1,305,902
Minimum capital required	1,756,289	1,300,152
Excess margin	1,873,448	1,329,119
CET1 ratio	14.7%	11.4%
Tier 1 ratio	16.2%	12.4%
CAR	18.1%	13.7%

b) Nu Mexico Financiera

As of December 31, 2024, the regulatory capital reported to the local regulator was equivalent to US\$288,654 (US\$391,714 as of December 31, 2023), resulting in a Capital ratio of 19.2% (28.1% as of December 31, 2023), with 10.5% being the minimum required for Category 4 *Sociedades Financieras Populares* ("SOFIPO").

c) Nu Colombia

Nu Colombia Financiamiento was granted a license to operate as a financial institution in Colombia by the Financial Superintendency (SFC) in January 2024. As of December 31, 2024, the regulatory capital reported to the local regulator was equivalent to US\$184,793 resulting in a Capital ratio of 22.6%, with 10.5% being the minimum required.

35. Segment information

In reviewing the operational performance of the Group and allocating resources, the Chief Operating Decision Maker of the Group (“CODM”), who is the Group’s Chief Executive Officer (“CEO”), reviews the consolidated statement of income and comprehensive income.

The CODM considers the whole Group as a single operating and reportable segment, monitoring operations, making decisions on fund allocation, and evaluating performance. The CODM reviews relevant financial data on a combined basis for all subsidiaries.

The Group’s income, results, and assets for this one reportable segment can be determined by reference to the consolidated statement of income and other comprehensive income as well as the consolidated statements of financial position.

a) Information about products and services

The information about products and services is disclosed in note 6.

b) Information about geographical area

The table below shows the revenue and non-current assets per geographical area:

	Revenue (i)			Non-current assets (ii)	
	2024	2023	2022	2024	2023
Brazil	8,409,961	5,728,748	3,121,129	583,713	656,291
Mexico	523,112	354,884	201,197	42,915	47,893
Colombia	111,854	75,405	20,369	16,897	14,796
Cayman Islands	6,188	-	-	29,638	38,004
Uruguay	-	-	-	-	-
Germany	-	-	-	-	72
United States	142	977	2,398	51,934	6,116
Total	9,051,257	6,160,014	3,345,093	725,097	763,172

- (i) Includes interest income (credit card, loans and other receivables), interchange fees, recharge fees, rewards revenue, late fees, insurance commission and other fees and commission income.
- (ii) Non-current assets are right-of-use assets, property, plant and equipment, intangible assets, and goodwill.

The Group had no single customer that represented 10% or more of the Group's revenues for the years ended December 31, 2024, 2023 and 2022.

DESCRIPTION OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

The following is a description of our outstanding securities registered under Section 12 of the Exchange Act as required pursuant to the relevant Items under Form 20-F. As of December 31, 2024 Nu Holdings Ltd. (“we,” “us,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A ordinary shares, par value US\$0.000006666666667 per share	NU	New York Stock Exchange

Nu was incorporated in the Cayman Islands on February 26, 2016 as an exempted company incorporated with limited liability. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (as revised) (the “Cayman Companies Act” or the “Companies Act”).

Our affairs are governed principally by: (1) our Articles of Association; (2) the Cayman Companies Act; and (3) the common law of the Cayman Islands. As provided in our Articles of Association, subject to Cayman Islands law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, and, for such purposes, full rights, powers and privileges. Our principal executive offices are located at Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands.

CLASS A ORDINARY SHARES

Item 9. General 9.A.3 Preemptive Rights

See “—Item 10.B Memorandum and articles of association—Preemptive or Similar Rights” below.

9.A.5 Type and Class of Securities

As of December 31, 2024, Nu had a total issued share capital of US\$83,290.82 divided into 3,768,057,942 Class A ordinary shares , and 1,050,600,698 Class B ordinary shares. All of our outstanding share capital is fully paid. Our Class A ordinary shares are in book-entry form, registered in the name of each shareholder or its nominee.

Our authorized share capital is US\$324,022.94, consisting of 48,603,441,210 shares of par value US\$0.000006666666667 each. The authorized but unissued shares are presently undesignated and may be issued by our board of directors as ordinary shares of any class or as shares with preferred, deferred or other special rights or restrictions.

Our Memorandum and Articles of Association authorize two classes of ordinary shares: Class A ordinary shares, which are entitled to one vote per share, and Class B ordinary shares, which are entitled to 20 votes per share and to maintain a proportional ownership interest in the event that additional Class A ordinary shares are issued. Any holder of Class B ordinary shares may convert his or her shares at any time into Class A ordinary shares on a share-for-share basis. The rights of the two classes of ordinary shares are otherwise identical, except as described in “Item 10—B. Memorandum and Articles of Association.” below.

Item 9.A.6. Limitations or Qualifications Not applicable.

Item 9.A.7. Other Rights Not applicable.

Item 10.B Memorandum and Articles of Association

The following information describes our ordinary shares and provisions set forth by our Memorandum and Articles of Association, the Cayman Companies Act; and the common law of the Cayman Islands. This description is only a summary. You should read and refer to our Memorandum and Articles of Association included as Exhibit 3.2 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333260649), filed with the SEC on December 3, 2021.

Description of Our Memorandum and Articles of Association History of Share Capital

On December 8, 2021, the registration statement on Form F-1, as amended (File No. 333-260649) relating to our initial public offering was declared effective by the SEC. On November 30, we commenced our initial public offering, which closed on January 6, 2022. We sold an aggregate of 316,705,853 Class A ordinary shares, including in the form of 48,526,380 BDRs, which also includes 27,555,298 Class A ordinary shares as a result of the partial exercise of the underwriters’ option to purchase additional shares granted to the, for an aggregate price of approximately US\$2,839 million.

As of December 31, 2024, Nu had no shares in treasury.

General

Our shareholders adopted the Memorandum and Articles of Association included as Exhibit 3.2 to the Amendment No. 2 to our registration statement on Form F-1 (File no. 333-260649), filed with the SEC on December 3, 2021. The following summary is subject to and qualified in its entirety by the Nu Holdings Ltd. memorandum and articles of association. This is not a summary of all the significant provisions of our Articles of Association, of the Cayman Companies Act or of the common law of the Cayman Islands and does not purport to be complete. Capitalized terms used but not defined herein have the meanings given to them in this annual report.

Corporate Purposes

Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of Companies Act (as amended) of the Cayman Islands, or the Companies Act, generally.

Issuance of Shares

Except as expressly provided in our Memorandum and Articles of Association, our board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the company’s capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act.

Our Memorandum and Articles of Association provide that at any time that there are Class A ordinary shares in issue, additional Class B ordinary shares may only be issued pursuant to (1) a share split, subdivision of shares or similar transaction or where a dividend or other distribution is paid by the issue of shares or rights to acquire shares or following capitalization of profits; (2) a merger, consolidation, or other business combination involving the issuance of Class B ordinary shares as full or partial consideration; or (3) an issuance of Class A ordinary shares, whereby holders of the Class B ordinary shares are entitled to purchase a number of Class B ordinary shares that would allow them to maintain their proportional ownership interest in the company (following an offer by us to each holder of Class B ordinary shares to issue to such holder, upon the same economic terms, such number of Class B ordinary shares as would allow such holder to maintain its proportional ownership interest in the company pursuant to our Memorandum and Articles of Association). In light of: (a) the above provisions; and (b) the 20-to-1 voting ratio between our Class B ordinary shares and Class A ordinary shares, holders of our Class B ordinary shares will in many situations continue to maintain control of all matters requiring shareholder approval. This concentration of ownership and voting power will limit or preclude your ability to influence corporate matters for the foreseeable future. For more information see “—Ordinary Shares—Preemptive or Similar Rights.”

Fiscal Year

Nu’s fiscal year begins on January 1 of each year and ends on December 31 of the same year.

Ordinary Shares

Dividend Rights

Subject to preferences that may apply to any preferred shares outstanding at the time, the holders of our ordinary shares are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts legally available therefor that our board of directors may determine.

Voting Rights

The holder of a Class B ordinary share is entitled, in respect of such share, to 20 votes per share, whereas the holder of a Class A ordinary share is entitled, in respect of such share, to one vote per share. The holders of Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, except as provided below and as otherwise required by law.

Our Memorandum and Articles of Association provide as follows regarding the respective rights of holders of Class A ordinary shares and Class B ordinary shares:

- (1) class consents from the holders of Class A ordinary shares and Class B ordinary shares, as applicable, shall be required for any variation to the rights attached to their respective class of shares, however, the directors may treat the two classes of shares as forming one class if they consider that both such classes would be affected in the same way by the proposal;

- (2) the rights conferred on holders of Class A ordinary shares shall not be deemed to be varied by the creation or issue of further Class B ordinary shares and vice versa; and
- (3) the rights attaching to the Class A ordinary shares and the Class B ordinary shares shall not be deemed to be varied by the creation or issue of shares with preferred or other rights, including, without limitation, shares with enhanced or weighted voting rights.

As set forth in our Memorandum and Articles of Association, the holders of Class A ordinary shares and Class B ordinary shares, respectively, do not have the right to vote separately if the number of authorized shares of such class is increased or decreased. Rather, the number of authorized Class A ordinary shares and Class B ordinary shares may be increased or decreased (but not below the number of shares of such class then outstanding) by both classes voting together by way of an “ordinary resolution,” which is defined in the our Memorandum and Articles of Association as being a resolution (1) of a duly constituted general meeting passed by a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote present in person or by proxy and voting at the meeting; or (2) approved in writing by all of the shareholders entitled to vote at a general meeting in one or more instruments each signed by one or more of the shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.

We have not provided for cumulative voting for the election of directors in our Memorandum and Articles of Association.

Conversion Rights

Each outstanding Class B ordinary share is convertible at any time at the option of the holder into one Class A ordinary share, and each Class B ordinary share will convert automatically into one Class A ordinary share at the election of the holder(s) of a majority of the Class B ordinary shares. In addition, each Class B ordinary share will convert automatically into one Class A ordinary share upon any transfer, whether or not for value, except for certain transfers described in our Memorandum and Articles of Association, including transfers to affiliates of a holder, one or more trustees of a trust established for the benefit of a holder or their affiliates, partnerships, corporations and other entities owned or controlled by a holder or their affiliates, and an organization that is exempt from taxation under Section 501(3)(c) of the Code or to an organization that is exempt from taxation in Brazil under Sections 184, 377 or 378 of the 2018 Internal Tax Regulations and that is controlled, directly or indirectly through one or more intermediaries, by a holder. Furthermore, each Class B ordinary share will convert automatically into one Class A ordinary share and no Class B ordinary shares will be issued thereafter if, on the record date for any shareholders meeting, the aggregate voting power of Class B ordinary shares then outstanding is less than 10% of the aggregate voting power of Class A ordinary shares and Class B ordinary shares outstanding.

Preemptive or Similar Rights

Our Class A ordinary shares are not entitled to preemptive rights, and are not subject to conversion, redemption or sinking fund provisions.

The Class B ordinary shares are entitled to maintain a proportional ownership interest in the event that additional Class A ordinary shares are issued. As such, except for certain exceptions, including the issuance of Class A ordinary shares in furtherance of this offering, if we issue Class A ordinary shares, we must first make an offer to each holder of Class B ordinary shares to issue to such holder on the same economic terms such number of Class B ordinary shares as would allow such holder to maintain its proportional ownership interest in the company. This right to maintain a proportional ownership interest may be waived by the holders of a majority of the Class B ordinary shares.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our shareholders would be distributable ratably among the holders of our ordinary shares and any participating preferred shares outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred shares.

Preferred Shares

Pursuant to our Memorandum and Articles of Association, our board of directors have the authority, subject to limitations prescribed by Cayman Islands law, to issue preferred shares in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our shareholders. Our board of directors can also increase or decrease the number of shares of any series of preferred shares, but not below the number of shares of that series then outstanding, without any further vote or action by our shareholders. Our board of directors may authorize the issuance of preferred shares with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our Class A ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our Class A ordinary shares and the voting and other rights of the holders of our Class A ordinary shares. We have no current plan to issue any preferred shares and have no preferred shares outstanding since our initial public offering.

Equal Status

Except as expressly provided in our Memorandum and Articles of Association, Class A ordinary shares and Class B ordinary shares have the same rights and privileges and rank equally, share proportionally and are identical in all respects as to all matters. In the event of any statutory amalgamation, merger, consolidation, arrangement or other reorganization involving us and requiring the approval of our shareholders entitled to vote thereon, as well as a short-form merger or consolidation that does not require a resolution of our shareholders, the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B ordinary shares, and the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B ordinary shares, in each case solely with respect to economic rights. In the event of any (1) tender or exchange offer to acquire any Class A ordinary shares or Class B ordinary shares by any third-party pursuant to an agreement to which we are a party, or (2) any tender or exchange offer by us to acquire any Class A ordinary shares or Class B ordinary shares, the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of Class B ordinary shares, and the holders of Class A ordinary shares shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of Class B ordinary shares, in each case solely with respect to economic rights.

Record Dates

For the purpose of determining shareholders entitled to notice of, or to vote at any general meeting of shareholders or any adjournment thereof, or shareholders entitled to receive dividend or other distribution payments, or in order to make a determination of shareholders for any other purpose, our board of directors may set a record date which shall not exceed forty (40) clear days prior to the date where the determination will be made.

General Meetings of Shareholders

As a condition of admission to a shareholders' meeting, a shareholder must be duly registered as such at the applicable record date for that meeting and, in order to vote, all calls or installments then payable by such shareholder to us in respect of the shares that such shareholder holds must have been paid.

Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per Class A ordinary share and 20 votes per Class B ordinary share.

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call annual general meetings; however, our Memorandum and Articles of Association provide that in each year the company will hold an annual general meeting of shareholders. For the annual general meeting of shareholders the agenda will include, among other things, the presentation of the annual accounts and the report of the directors (if any). In addition, the agenda for an annual general meeting of shareholders will only include such items as have been included therein by the board of directors.

Also, we may, but are not required to (unless required by the laws of the Cayman Islands), hold other extraordinary general meetings during the year. Extraordinary general meetings of shareholders may be held where the directors so decide.

The Companies Act provides shareholders a limited right to request a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting in default of a company's memorandum and articles of association. However, these rights may be provided in a company's memorandum and articles of association. Our Memorandum and Articles of Association provide that for so long as our founding shareholder controls a majority of the voting power of the shares of the Company, a general meeting of shareholders may be convened on the requisition of the holders of a majority of the voting power of our shares. However, if our founding shareholder controls less than a majority of the voting power of our shares, no shareholder shall have the power to requisition a meeting of shareholders. Our Memorandum and Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Subject to regulatory requirements, the annual general meeting must be called by at least 21 days' (and not less than 15 clear business days') notice and any extraordinary general meeting by at least 14 days' (and not less than 10 clear business days') notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to receive notice, with regards to the annual general meeting, and the holders of 75% in par value of the shares entitled to attend and vote at an extraordinary general meeting, that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

We will give notice of each general meeting of shareholders by publication on our website and in any other manner that may be required in order to comply with Cayman Islands law, NYSE and SEC requirements. The holders of registered shares may be given notice of a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means.

Holders whose shares are registered in the name of DTC or its nominee, which we expect will be the case for all holders of Class A ordinary shares, will not be a shareholder or member of the company and must rely on the procedures of DTC regarding notice of shareholders' meetings and the exercise of rights of a holder of the Class A ordinary shares.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than a majority of the aggregate shares in issue and entitled to vote upon the business to be transacted. If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, a second meeting may be called as the Directors may determine, and if at the second meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the shareholders present shall be a quorum.

A resolution put to a vote at a general meeting shall be decided on a poll. Generally speaking, an ordinary resolution to be passed by the shareholders at a general meeting requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote, present in person or by proxy and voting at the meeting and a special resolution requires the affirmative vote on a poll of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all of our shareholders, as permitted by the Companies Act and our Memorandum and Articles of Association.

Pursuant to our Memorandum and Articles of Association, general meetings of shareholders are to be chaired by the chairman of our board of directors or in his absence the vice-chairman of the board of directors. If the chairman or vice-chairman of our board of directors is absent, the directors present at the meeting shall appoint one of them to be chairman of the general meeting. If neither the chairman nor another director is present at the general meeting within 30 minutes after the time appointed for holding the meeting, then such meeting shall be adjourned for a one week period and shall be held in the following week on the same day at the same time and place. If at the adjournment of the meeting the chairman or in his absence the vice-chairman (if any) or in their absence a director is not willing to act as chairman, or if no director is present within thirty (30) minutes after the time appointed for holding the meeting, then such meeting shall be canceled. The order of business at each meeting shall be determined by the chairman of the meeting, and he or she shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on our affairs, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls.

Changes to Capital

Pursuant to our Memorandum and Articles of Association, we may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than its existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- subdivide our existing shares or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by us for an order confirming such reduction, reduce its share capital or any capital redemption reserve in any manner permitted by law.

In addition, subject to the provisions of the Companies Act and our Memorandum and Articles of Association and the Shareholder's Agreement, we may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase its own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of its own shares in any manner authorized by the
- Companies Act, including out of its own capital.

Transfer of Shares

Subject to any applicable restrictions set forth in the Memorandum and Articles of Association and the Shareholder's Agreement, any shareholder of Nu may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or in the form prescribed by the NYSE or any other form approved by our board of directors.

Our Class A ordinary shares are traded on the NYSE in book-entry form and may be transferred in accordance with our Memorandum and Articles of Association and NYSE's rules and regulations.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is either not fully paid up to a person of whom it does not approve or is issued under any share incentive scheme for employees which contains a transfer restriction that is still applicable to such ordinary share. The board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate (if any) for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are free of any lien in favor of us; and
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If the directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to the transferee notice of such refusal.

Share Repurchase

The Companies Act and our Memorandum and Articles of Association permit us to purchase our own shares, subject to certain restrictions. Our board of directors may only exercise this power on behalf of Nu, subject to the Companies Act and our Memorandum and Articles of Association, the Shareholder's Agreement and to any applicable requirements imposed from time to time by the SEC, the NYSE or by any recognized stock exchange on which our shares are listed.

Dividends and Capitalization of Profits

We have not adopted a dividend policy with respect to payments of any future dividends. Subject to the Companies Act and general principles of Cayman Islands law, our shareholders may, by ordinary resolution, declare dividends (including interim dividends) to be paid to shareholders but no dividend shall be declared in excess of the amount recommended by the board of directors. The board of directors may also declare dividends. Dividends may be declared and paid out of funds lawfully available to us. Except as otherwise provided by the rights attached to shares and our Memorandum and Articles of Association, all dividends shall be paid in proportion to the number of Class A ordinary shares or Class B ordinary shares a shareholder holds at the date the dividend is declared (or such other date as may be set as a record date); but, (1) if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly; and (2) where we have shares in issue which are not fully paid up (as to par value), we may pay dividends in proportion to the amounts paid up on each share.

The holders of Class A ordinary shares and Class B ordinary shares shall be entitled to share equally in any dividends that may be declared in respect of our ordinary shares from time to time. In the event that a dividend is paid in the form of Class A ordinary shares or Class B ordinary shares, or rights to acquire Class A ordinary shares or Class B ordinary shares, (1) the holders of Class A ordinary shares shall receive Class A ordinary shares, or rights to acquire Class A ordinary shares, as the case may be and (2) the holders of Class B ordinary shares shall receive Class B ordinary shares, or rights to acquire Class B ordinary shares, as the case may be.

Appointment, Disqualification and Removal of Directors

We are managed by our board of directors. Our Memorandum and Articles of Association provide that the board of directors will be composed of such number of directors as a majority of directors in office may determine, being up to nine directors on the date of adoption of our Memorandum and Articles of Association. There are no provisions relating to retirement of directors upon reaching any age limit.

Our Memorandum and Articles of Association provides that directors shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present, in person or by proxy, at a quorate general meeting of the Company. Notwithstanding the foregoing, for so long as our founding shareholder owns at least 5% of the voting power of our outstanding share capital, our founding shareholder shall be entitled to nominate a certain number of designees to the board for a specific term, as set out in our Memorandum and Articles of Association. In particular, our Memorandum and Articles of Association provide that, subject to compliance with applicable law and NYSE rules, for so long as our founding shareholder and his affiliates beneficially own shares constituting at least 40% of the voting power of our outstanding share capital, the founding shareholder shall be entitled to designate up to five nominees to our board of directors (or if the size of the board of directors is increased, a majority of the members of the board of directors); for so long as our founding shareholder and its affiliates beneficially own at least 25% of the voting power of our outstanding share capital, the founding shareholder shall be entitled to designate up to three nominees to our board of directors (or if the size of the board of directors is increased, one-third of the members of the board of directors); and for so long as our founding shareholder and its affiliates beneficially own at least 5% of the voting power of our outstanding share capital, our founding shareholder shall be entitled to designate one nominee to our board of directors (or if the size of the board of directors is increased, 10% of the members of the board of directors). The founding shareholder may in like manner remove such director(s) appointed by him and appoint replacement director(s).

Each director shall be appointed for a one year term, unless they resign or their office is vacated earlier, provided, however, that such term shall be extended beyond one year in the event that no successor has been appointed (in which case such term shall be extended to the date on which such successor has been appointed).

Our Memorandum and Articles of Association provide that from and after the date on which the founding shareholder (together with his affiliates) no longer beneficially owns more than 50% of our outstanding voting power, or the classifying date, the directors shall be divided into three classes designated Class I, Class II, and Class III. Each director shall serve for a term ending on the date of the third annual general shareholders meeting following the annual general shareholders meeting at which such director was elected as subject to the provisions of our Memorandum and Articles of Association. The founding directors shall be allocated to the longest duration classes unless otherwise determined by the board of directors.

Grounds for Removing a Director

A director may be removed with or without cause by ordinary resolution, and a director nominated by our founding shareholder may be removed by our founding shareholder at any time with or without cause by notice to us. The notice of general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if he or she (1) becomes prohibited by law from being a director; (2) becomes bankrupt or makes an arrangement or composition with his creditors; (3) dies or is in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; (4) resigns his office by notice to us; or (5) has for more than six months been absent without permission of the directors from meetings of the board of directors held during that period, and the remaining directors resolve that his or her office be vacated.

Proceedings of the Board of Directors

Our Memorandum and Articles of Association provide that our business is to be managed and conducted by the board of directors. The quorum necessary for the board meeting shall be a simple majority of the directors then in office, and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a casting vote.

Subject to the provisions of our Memorandum and Articles of Association, the board of directors may regulate its proceedings as they determine is appropriate. Board meetings shall be held at least once every calendar quarter and shall take place at such place as the directors may determine.

Subject to the provisions of our Memorandum and Articles of Association, to any directions given by ordinary resolution of the shareholders and the listing rules of the NYSE, the board of directors may from time to time at its discretion exercise all powers of Nu, including, subject to the Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or corporate records. However, the board of directors may determine from time to time whether and to what extent our accounting records and books shall be open to inspection by shareholders who are not members of the board of directors. Notwithstanding the above, our Memorandum and Articles of Association provide shareholders with the right to receive annual financial statements. Such right to receive annual financial statements may be satisfied by publishing the same on the company's website or filing such annual reports as we are required to file with the SEC.

Register of Shareholders

Our Class A ordinary shares offered are held through DTC, and DTC or Cede & Co., as nominee for DTC, will be recorded in the shareholders' register as the holder of our Class A ordinary shares. Under Cayman Islands law, we must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, our register of shareholders is prima facie evidence of the matters set out therein (i.e., the register of shareholders will raise a presumption of fact on the matters referred to above unless rebutted) and a shareholder registered in the register of shareholders is deemed as a matter of Cayman Islands law to have prima facie legal title to the shares as set against his or her name in the register of shareholders. The shareholders recorded in the register of shareholders should be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from the register of shareholders, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a shareholder of Nu, the person or member aggrieved (or any shareholder of ours, or Nu itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Anti-Takeover Provisions in Our Memorandum and Articles of Association

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable. In particular, our capital structure concentrates ownership of voting rights in the hands of our founding shareholder, as our controlling shareholder. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of our company to first negotiate with the board of directors. However, these provisions could also have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of the Class A ordinary shares that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Two Classes of Ordinary Shares

Our Class B ordinary shares are entitled to 20 votes per share, while the Class A ordinary shares are entitled to one vote per share. Since our co-founders own all of the Class B ordinary shares, our cofounders currently have the ability to elect a majority of the directors and to determine the outcome of most matters submitted for a vote of shareholders, with our founding shareholder as the controlling shareholder. This concentrated voting control could discourage others from initiating any potential merger, takeover, or other change of control transaction that other shareholders may view as beneficial.

So long as our co-founders have the ability to determine the outcome of most matters submitted to a vote of shareholders as well as the overall management and direction of Nu, third parties may be deterred in their willingness to make an unsolicited merger, takeover, or other change of control proposal, or to engage in a proxy contest for the election of directors. As a result, the fact that we have two classes of ordinary shares may have the effect of depriving you as a holder of Class A ordinary shares of an opportunity to sell your Class A ordinary shares at a premium over prevailing market prices and make it more difficult to replace our directors and management.

Preferred Shares

Our Memorandum and Articles of Association provides our board of directors with wide powers to issue additional shares, and one or more classes or series of preferred shares, with or without preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as the board of directors may determine, to the extent authorized but unissued. The issuance of additional shares may be used as an anti-takeover device without further action on the part of our shareholders. Such issuance may further dilute the voting power of existing holders of Class A ordinary shares.

Despite the anti-takeover provisions described above, under Cayman Islands law, our board of directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association, for what they believe in good faith to be in our best interests.

Requisitioning General Meetings

Our Memorandum and Articles of Association provide that, for so long as our founding shareholder controls a majority of the voting power of our shares, a general meeting of shareholders may be convened on the requisition of the holders of a majority of the voting power of our shares. However, if our founding shareholder controls less than a majority of the voting power of our shares, no shareholder shall have the power to requisition a meeting of shareholders. Accordingly, our shareholders will have limited rights to requisition and convene general meetings of shareholders.

Consent Over a Change of Control

Our Memorandum and Articles of Association provide that for so long as David Vélez Osorno and his affiliates beneficially own shares accounting for at least 10% of the voting power of our issued share capital, we will not take, or permit our subsidiaries to take, certain actions without the prior written approval of a majority of the Class B ordinary shares in issue, including entering into a merger, consolidation, reorganization or other business combination or a transaction or series of transactions that would result in a change of control.

Staggered Board

Our Memorandum and Articles of Association provide that, from and after the date that David Vélez Osorno and his affiliates no longer beneficially own more than 50% of the voting power of our issued share capital, we shall cause our board of directors to be divided into three classes serving staggered three-year terms. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of shareholders will be necessary for shareholders to effect a change in a majority of the members of the board of directors.

Exclusive Forum

Under our Memorandum and Articles of Association, unless we consent to a different forum, (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or any other person, (iii) any action or proceeding arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Companies Act, our Memorandum and Articles of Association, or any other provision of applicable law, (iv) any action or proceeding seeking to interpret, apply, enforce or determine the validity of our Memorandum and Articles of Association or (v) any action or proceeding as to which the Companies Act confers jurisdiction on the Grand Court of the Cayman Islands may only be brought before the Grand Court of the Cayman Islands, in all cases subject to the court having jurisdiction over indispensable parties named as defendants. In addition, any complaint asserting a cause of action arising under the Securities Act may only be brought before the federal district courts of the United States. Nothing in our Memorandum and Articles of Association will preclude shareholders that assert claims under the Exchange Act from bringing such claims in any court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring or holding any interest in our securities shall be deemed to have notice of and consented to these exclusive forum provisions. However, shareholders will not be deemed to have waived our compliance with U.S. federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that, in connection with claims arising under federal securities laws or otherwise, a court could find the exclusive forum provision contained in our Memorandum and Articles of Association to be inapplicable or unenforceable.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Item 12. Description of Securities other than Equity Securities

12.A Debt Securities Not applicable.

12.B Warrants and Rights

Not applicable.

12.C Other Securities

Not Applicable.

12.D American Depositary Shares

Not applicable.

First Amendment to Shareholder's Agreement

This First Amendment to the Shareholders Agreement dated as of March 11, 2025 (the "First Amendment"), is made between Nu Holdings Ltd., an exempted company formed under the laws of the Cayman Islands (the "Company"), and the Shareholder (as defined in Article 1 of the Shareholders Agreement) (jointly with the Shareholder, the "Parties"), on this 11 of March of 2025.

WHEREAS, on November 29, 2021, the Parties signed the Shareholder's Agreement (the "Shareholder's Agreement"), whereby the Company and the Shareholder established certain understandings between them, including with respect to certain corporate governance matters, certain covenants and agreements, among others, upon completion of the the IPO.

WHEREAS, on January 21, 2022, Nu Pagamentos S.A. - Instituição de Pagamento (the "Nu Pagamentos") submitted to the Brazilian Central Bank ("BCB") the Shareholder's Agreement and other related information in respect of the corporate structure of the Company, after the IPO process.

WHEREAS, on January 30, 2025, Nu Pagamentos received a requirement from the BCB requesting an amendment to the Shareholder's Agreement, to expressly establish that any transfers and/or conversions of Nu Pagamentos's shares resulting in a direct or indirect change of control, or the acquisition of a qualified interest, the referred transaction shall be subject to prior authorization or notification to the BCB, as applicable ("BCB Request").

WHEREAS, the Parties desire to enter into this First Amendment to modify certain terms of the Shareholders Agreement in accordance with the terms and conditions described below:

NOW, THEREFORE, the Shareholders Agreement is hereby amended as follows:

1. Defined Terms. The defined terms used in this First Amendment and not defined herein shall have the meanings ascribed to them in the Shareholder's Agreement.
2. First Amendment. The Parties, in accordance with the terms of this First Amendment, agree to:
 - a) Modify Article 1, DEFINITIONS, to incorporate the following terms into the section:

"BCB" means the Brazilian Central Bank.

"Nu Pagamentos" means Nu Pagamentos S.A. - Instituição de Pagamento, a payment institution subsidiary of the Company, based in Brazil and regulated by the BCB.
 - b) Modify Article 2, CORPORATE GOVERNANCE, in order to include the new section, Section 2.06, to comply with the BCB Request regarding the corporate structure of Nu Pagamentos. As of the date hereof, Section 2.06 shall be defined as follows:

"Section 2.06. Brazilian Central Bank Consent. In the event of transfers and/or conversions of Nu Pagamentos' shares that result in a direct or indirect change of control or acquisition of a qualified interest of Nu Pagamentos, the referred transaction shall be subject to prior authorization, or notification to the BCB, as applicable."
 - c) The consolidated Shareholders Agreement will be attached as Exhibit A to this First Amendment.
3. Full Force and Effect. Except as expressly amended hereby, the Shareholders Agreement shall remain in full force and effect.

4. Binding Effect. Except as otherwise provided in this First Amendment, every covenant, term and provision of this First Amendment and the Shareholders Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, transferees and assigns.
5. Headings. Section and other headings contained in this First Amendment are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this First Amendment or any provision hereof.
6. Severability. If any term or provision of this First Amendment or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this First Amendment or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this First Amendment shall be valid and enforceable to the fullest extent permitted by law.
7. Construction. Every covenant, term and provision of this First Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party.
8. Further Action. Each Party agrees to perform all further acts and execute, acknowledge and deliver any documents which may be reasonably necessary, appropriate or desirable to carry out the provisions of this First Amendment.
9. Governing Law. For all matters related to the construction and performance of this First Amendment, the Parties hereby expressly and irrevocably submit to the applicable laws of the laws of the Cayman Islands.
10. Counterpart Execution. This First Amendment may be executed and delivered (including by facsimile or other electronic transmission) in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same First Amendment. This First Amendment shall become effective on the date of execution hereof by all Parties hereto.
11. Filing at the company's headquarters. This First Amendment shall be filed at the Company's headquarters, in accordance with applicable laws, and the Company is committed to ensuring its faithful compliance.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed on the date hereinabove written:

Cayman, 11 of March of 2025

The Company
NU HOLDINGS LTD.

The Shareholder
RUA CALIFORNIA LTD.

Guilherme Lago

Henrique Fragelli

David Velez Osorno

By: Guilherme Marques do Lago - Chief
Financial Officer

By: David Velez Osorno - Director

Henrique Camossa Saldanha Fragelli - Chief
Risk Officer

[signature pages of the First Amendment to the Shareholders Agreement, dated as March 11, 2025]

Exhibit A

Shareholders Agreement Consolidated

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* (a) As used in this Agreement, the following terms have the following meanings:

“**Affiliate**” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person’s spouse, domestic partner, parents, step-parents, children, step-children, grandchildren, siblings, nieces, nephews, mother-in-law and father-in-law and brothers- and sisters-in-law and sons-in-law and daughters-in-law, whether by blood, marriage or adoption or anyone residing in such person’s home, a trust for the benefit of any of the foregoing, or a company, partnership or entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, corporation or any natural person or entity which, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. For the purpose of this definition, the term “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, means the ownership, directly or indirectly, of securities possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, shares having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity.

“**Articles of Association**” means the Amended and Restated Memorandum and Articles of Association of the Company, as the same may be amended from time to time.

“**Board**” means the board of directors of the Company.

“**BCB**” means the Brazilian Central Bank.

“**Business Combination**” means a statutory amalgamation, merger, consolidation, arrangement or other reorganization involving the Company requiring the approval of the members of one or more of the participating companies as well as a short form merger or consolidation that does not require a resolution of members.

“**Business Day**” means any day on which banks are not required or authorized by law to close in the City of New York, New York, USA or in São Paulo, State of São Paulo, Brazil.

“**Change of Control**” means (i) the merger or consolidation of the Company or any of its subsidiaries with or into another Person (other than the Company or any of its wholly owned subsidiaries) or the merger of another Person (other than the Company or any of its wholly owned subsidiaries) with or into the Company or any of its subsidiaries, (ii) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries taken as a whole to any Person other than a wholly owned subsidiary of the Company or (iii) any “person” or “group” (as such terms are used for purposes of Section 13(d) of the Exchange Act) is or becomes the a beneficial owner,

directly or indirectly, of more than 50% of the Total Voting Power or acquires the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract or otherwise.

“Class A Ordinary Shares” means the class A ordinary shares of a nominal or par value of US\$0.000006666666667 each in the capital of the Company having the rights provided for in the Articles of Association.

“Class B Ordinary Shares” means the class B ordinary shares of a nominal or par value of US\$0.000006666666667 each in the capital of the Company having the rights provided for in the Articles of Association.

“Company Securities” means (i) the Ordinary Shares and (ii) securities that entitle the holder to vote in the election of directors to the Board that are convertible into or exchangeable for Ordinary Shares.

“Exchange” means the New York Stock Exchange, the B3 and any other stock exchange or interdealer quotation system listed in Schedule 4 of The Companies Act (Revised) on which shares in the capital of the Company are listed or quoted.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Independent Director” means an “independent director” as such term is used in the listing requirements of the Exchange.

“Necessary Action” means, with respect to a specified result, all actions (to the extent such actions are permitted by law and by the Articles of Association) necessary to cause such result, including (i) in the case of the Shareholder, voting or providing a written consent or proxy with respect to the Company Securities, (ii) in the case of the Company, calling a general meeting for the purpose of causing the passing of shareholders’ resolutions, including to make amendments to the Articles of Association, (iii) executing agreements and instruments, and (iv) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result. For the avoidance of doubt, the Company shall not be required to take any Necessary Action that is contrary to or conflicting with the Articles of Association or applicable law.

“Nu Pagamentos” means Nu Pagamentos S.A. - Instituição de Pagamento, a payment institution subsidiary of the Company, based in Brazil and regulated by the BCB.

“Ordinary Shares” means collectively, the Class A Ordinary Shares and the Class B Ordinary Shares (*provided* that in no circumstance shall such shares be counted twice).

“Person” means any individual, corporation, general or limited partnership, limited liability company, joint stock company, joint venture, estate, trust, association, organization or any other entity or governmental entity.

“Permitted Assigns” means a transferee of Shares by the Shareholder who is (i) an Affiliate of the Shareholder, (ii) a trustee of a trust established for the benefit of the Shareholder or an Affiliate of the Shareholder, (iii) an organization that is exempt from taxation under Section 501(3)(c) of the United States Internal Revenue Code of 1986, as amended (or any successor thereto), or to an organization that is exempt from taxation in Brazil under Sections 184, 377 or 378 of the 2018 Internal Tax Regulations, as amended (or any successor thereto), and that is controlled, directly or indirectly through one or more intermediaries, by the Shareholder, or (iv) a partnership, corporation or other entity owned or controlled

by the Shareholder or an Affiliate of the Shareholders, in each case that agrees in writing to become party to, and be bound to the same extent as its transferor by the terms of, this Agreement, in the form of Exhibit A hereto; provided, that upon such transfer, such Permitted Assign shall be deemed to be a "Shareholder" hereto for all purposes herein.

"Shares" means the Ordinary Shares in issue.

"Shareholder" means, collectively, David Vélez Osorno, Rua California Ltd. (as long as it remains a vehicle controlled by David Vélez Osorno) and any Person (other than the Company) affiliated with David Vélez Osorno and/or any of his Permitted Assigns who shall then be a party to or bound by this Agreement, so long as such Person shall "beneficially own" (as such term is defined in Rule 13d-3 of the Exchange Act) any Company Securities.

A company is a "Subsidiary" of another company if that other company: (i) holds a majority of the voting rights in it; (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or if it is a subsidiary of a company which is itself a subsidiary of that other company. For the purpose of this definition the expression "company" includes any body corporate established in or outside of the British Overseas Territory of the Cayman Islands.

"Total Voting Power" means the aggregate voting power of all issued Shares having the right to receive notice of, attend, speak and vote at general meetings of the Company, voting together as a single class.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>	<u>Cause</u>
Classifying Date	2.01(c)	Class I Directors 2.01(c) Class II Directors 2.01(c) Class III Directors
2.01(c) Company Preamble		
Confidential Information	3.02(b)	Convertible Securities 2.05(d) Directed Opportunity 3.04
Representatives	3.02(b)	Shareholder Directors 2.01(b) Specified Party 3.04

Section 1.02. *Other Definitional and Interpretative Provisions.* The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule, but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Words importing the masculine gender only shall include the feminine gender. The word "or" is not exclusive. The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any law include all rules and regulations promulgated thereunder. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

ARTICLE 2
CORPORATE GOVERNANCE

Section 2.01. *Composition of the Board.* (a) The members of the Board shall be nominated and elected in accordance with the Articles of Association and the provisions of this Agreement. As of the IPO Date, the Board shall be composed of nine directors.

(b) From and after the date hereof, the Shareholder shall have the right, but not the obligation, to nominate a number of designees to the Board (the "Shareholder Directors") equal to:

(i) up to five Shareholder Directors (or if the size of the Board is increased, a majority (i.e., more than 50%) of the total number of directors, rounded upward to the nearest whole number), so long as the Shareholder and its Affiliates continue to beneficially own at least 40% of the Total Voting Power,

(ii) up to three Shareholder Directors (or if the size of the Board is increased, one-third of the total number of Directors, rounded upward to the nearest whole number), so long as the Shareholder and its Affiliates continue to beneficially own at least 25% of the Total Voting Power, and

(iii) up to one Shareholder Director (or if the size of the Board is increased, 10% of the total number of directors, rounded upward to the nearest whole number), so long as the Shareholder and its Affiliates continue to beneficially own at least 5% of the Total Voting Power.

In the event that the Shareholder has nominated less than the total number of Shareholder Directors the Shareholder is entitled to nominate pursuant to this Section 2.01(b), the Shareholder shall have the right, at any time, to nominate such additional Shareholder Directors to which it is entitled, in which case the Shareholder and the Company shall take, or cause to be taken, all Necessary Action to appoint such additional Shareholder Directors nominated by the Shareholder to the Board.

(c) In accordance with the Articles of Association, from and after the date on which the Shareholder (together with its Affiliates) no longer beneficially owns more than 50% of the Total Voting Power (the "Classifying Date"), the directors shall be divided into three classes designated Class I, Class II and Class III. Each class of Directors shall consist, as nearly as possible, of one third of the total number of directors constituting the entire Board. The Board shall assign members of the Board in office at the Classifying Date to such classes. Each director shall serve for a term ending on the date of the third annual general meeting of shareholders next following the annual general meeting of shareholders at which such director was elected, *provided* that directors initially designated as Class I Directors ("Class I Directors") shall serve for a term ending on the date of the first annual general meeting of shareholders following the Classifying Date, directors initially designated as Class II Directors ("Class II Directors") shall serve for a term ending on the second annual general meeting of shareholders following the Classifying Date, and directors initially designated as Class III Directors ("Class III Directors") shall serve for a term ending on the date of the third annual general meeting of shareholders following the Classifying Date. The Company shall ensure that the Shareholder Directors shall be allocated to the longest duration classes, unless otherwise directed by the Shareholder.

(d) The Company agrees, to the fullest extent permitted by applicable law (including with respect to any applicable fiduciary duties under the Companies Act (as revised)), to take all Necessary Action to effectuate the above by: (A) including the persons designated pursuant to this Section 2.01 in the slate of nominees recommended by the Board for election at any meeting of shareholders called for the purpose of electing directors, (B) nominating and recommending each such individual to be elected as a director as provided herein, (C) soliciting proxies or consents in favor thereof, and (D) without limiting the foregoing, otherwise using its reasonable best efforts to cause such nominees to be elected to the Board,

including providing at least as high a level of support for the election of such nominees as it provides to any other individual standing for election as a director.

(e) At any time when the number of Directors that the Shareholder is entitled to nominate pursuant to this Section 2.01 is less than the number of Shareholder Directors on the Board, the Shareholder shall cause the required number of Shareholder Directors to resign from the Board or not stand for reelection on or prior to the Company's next general meeting of shareholders at which directors of the Company are to be elected, and any vacancies resulting from such resignation shall be filled by the Board in accordance with the Articles of Association, the rules of the U.S. Securities Exchange Commission (the "SEC") and the rules of the Exchange then in effect.

(f) For the avoidance of doubt, the rights granted to the Shareholder to designate members of the Board are additive to, and not intended to limit in any way, the rights that the Shareholder or any of its Affiliates may have to nominate, elect or remove directors under the Articles of Association or Cayman Islands law.

Section 2.02. *Removal.* So long as the Shareholder is entitled to designate one or more nominees pursuant to Section 2.01, the Shareholder shall have the right to remove any such director (with or without Cause (as such term is defined in the Articles of Association)), from time to time and at any time, from the Board, exercisable upon written notice to the Company.

Section 2.03. *Vacancies.* In the event that a vacancy is created on the Board at any time by the death, disability, resignation or removal (whether by the Shareholder or otherwise in accordance with the Articles of Association, as may be amended or restated from time to time) of a Shareholder Director, the Shareholder shall be entitled to designate an individual to fill the vacancy so long as the total number of persons that will serve on the Board as designees of the Shareholder immediately following the filling of such vacancy will not exceed the total number of persons the Shareholder is entitled to designate pursuant to Section 2.01 on the date of such replacement designation. The Company and the Shareholder shall take all Necessary Action to cause such replacement designee to become a member of the Board. Subject to the provisions of this Agreement, the Board may nominate additional Directors to the Board, or fill any vacancy on the Board, pursuant to the terms of the Articles of Association.

Section 2.04. *Board Committees.* As of the IPO Date, the Board has designated each of the following committees: an Audit and Risk Committee, a Leadership Development, Diversity and Compensation Committee and a Stakeholders Committee. For so long as the Shareholder has the right to designate at least one (1) Shareholder Director pursuant to Section 2.01, the Shareholder shall have the right, but not the obligation, to designate its pro rata share of the total number of members of each committee of the Board that is equal to the proportion that the number of Shareholder Directors bears to the total number of directors of the Company and the Board shall take Necessary Action to appoint such designee(s) to such committee; *provided* that the right of any Shareholder Director to serve on a committee shall be subject to applicable law and the Company's obligation to comply with any applicable requirements of the Exchange.

Section 2.05. *Actions Requiring Consent.* For so long as the Shareholder and its Affiliates' continue to beneficially own at least 10% of the Total Voting Power, the Company shall not take any affirmative action, or permit its Subsidiaries to take any action (including any action by the Board or any committee thereof), with respect to any of the following matters without the prior written approval of the Shareholder:

(a) entering into any transaction or series of transactions that would result in a Change of Control;

(b) any merger, consolidation, reorganization (including conversion) or any other Business Combination involving the Company or any of its subsidiaries;

(c) any liquidation, dissolution, receivership, commencement of bankruptcy, insolvency or similar proceedings with respect to the Company or any of its Subsidiaries;

(d) authorizing or issuing any Shares or any security or obligation that, by its terms, directly or indirectly, is convertible into or exchangeable or exercisable for Shares (collectively, "Convertible Securities") and any option, warrant or other right to subscribe for, purchase or acquire Convertible Securities, other than (i) pursuant to any share plan, employee share purchase plan or equity incentive plan approved by the Board, (ii) in connection with the acquisition by the Company or any of its Subsidiaries of the securities, business, technology, property or other assets of another Person or pursuant to an employee benefit plan assumed by the Company or any of its Subsidiaries in connection with such acquisition, or the Company's joint ventures, equipment leasing arrangements, debt financings or other strategic transactions; provided that the aggregate number of Shares (or Shares underlying Convertible Securities) issued or issuable over any 12-month period under this clause (ii) shall not exceed 10% of the total number of Shares in issue on the first day of such 12-month period, (iii) in connection with the exchange or conversion of Class B Ordinary Shares into Class A Ordinary Shares, as contemplated by the Articles of Association or (iv) in compliance with the Articles of Association;

(e) the acquisition, sale, conveyance, transfer or other disposition of any asset or business of the Company or any of its Subsidiaries, in one transaction or a series of related transactions, the aggregate consideration or fair value of which is greater than or equal to 20% of the Company's net equity value on the date of such transaction, as determined by the Board in good faith;

(f) redeeming, repurchasing or otherwise acquiring any Shares or Convertible Securities of the Company (or any equivalent securities of its Subsidiaries), other than redemptions, repurchases or acquisitions of from employees, officers, directors, consultants or other Persons performing services for the Company or any of its Subsidiaries (or in connection with the cessation of such services) pursuant to agreements under which the Company or any of its Subsidiaries has the option to repurchase such Shares or Convertible Securities (or equivalents thereof) upon the occurrence of certain events, such as the termination of employment or service;

(g) paying or declaring any dividend or distribution on any Shares of the Company (or any equivalent securities or any of its Subsidiaries) except to the extent such payments are to the Company or one of its directly or indirectly wholly owned Subsidiaries;

(h) incurring, creating or assuming any indebtedness of the Company or any of its Subsidiaries in an amount greater than or equal to the Company's net equity value in the aggregate on a consolidated basis;

(i) any material change in the strategic direction or scope of the Company's business, as determined by the Board in good faith;

(j) any transaction or agreement (other than relating to the issuance or sale of Shares or Convertible Securities) between the Company and/or any of its Subsidiaries, on the one hand, and any officer, director or Affiliate of the Company, on the other (excluding, in all cases, of the Shareholder);

(k) any determination or approval of the annual compensation of an officer and/or director of the Company (excluding, in all cases, of the Shareholder); or

(l) the adoption of a shareholders' rights plan.

Section 2.06. *Brazilian Central Bank Consent.* In the event of transfers and/or conversions of Nu Pagamentos' shares that result in a direct or indirect change of control or acquisition of a qualified interest of Nu Pagamentos, the referred transaction shall be subject to prior authorization, or notification to the BCB, as applicable.

ARTICLE 3
CERTAIN COVENANTS AND AGREEMENTS

Section 3.01. *Access; Information; Consultation.* For so long as the Shareholder and its Affiliates continue to beneficially own at least 5% of the Total Voting Power:

(a) the Company shall, and shall cause its Subsidiaries to, (i) permit the Shareholder and its designated representatives, at reasonable times and upon reasonable prior notice to the Company, to review the books and records of the Company or any of such Subsidiaries and to discuss and provide advice and direction concerning the affairs, finances and condition of the Company or any of such Subsidiaries with the officers of the Company or any such Subsidiary, and (ii) furnish the Shareholder with such available financial and operating data and other information with respect to the business and properties of the Company and its Subsidiaries as the Shareholder may reasonably request in the format and within such time periods as the Shareholder shall request. The Company shall permit the Shareholder and its Representatives (as defined below) to discuss the affairs, finances and accounts of the Company and its Subsidiaries with, and to make proposals and furnish advice to, the Company's senior management; *provided, however,* that in the case of each of clause (i) and (ii), the Company shall not be required to disclose any privileged information of the Company so long as the Company has used its best efforts to provide such information to the Shareholder without the loss of any such privilege, and notified the Shareholder that such information has not been provided; and

(b) the Shareholder shall be entitled to routinely consult with and advise the Company's senior management with respect to the Company's and its Subsidiaries' business and financial matters, including management's proposed annual operating plans, and, upon request by the Shareholder, members of the Company's senior management will meet regularly (on a quarterly basis) during each year with the Shareholder (and/or its Representatives) at mutually agreeable times and locations for such consultation and advice, including to review progress in achieving said plans. The Company agrees to give due consideration to the advice given and any proposals made by the Shareholder.

Section 3.02. *Confidentiality.* (a) The Shareholder agrees that Confidential Information furnished and to be furnished to it has been and may in the future be made available in connection with the Shareholder's investment in the Company. The Shareholder agrees that, in its capacity as a shareholder of the Company, it shall use, and that it shall cause any Person to whom Confidential Information is disclosed pursuant to clause (i) below to use, the Confidential Information only in connection with its investment in the Company and not for any other purpose (including to disadvantage competitively the Company or any of its Affiliates). The Shareholder further acknowledges and agrees that it shall not disclose any Confidential Information to any Person, except that Confidential Information may be disclosed:

(i) to the Shareholder's Representatives in the normal course of the performance of their duties or to any financial institution providing credit to such Shareholder;

(ii) to the extent required by applicable law, rule or regulation (including complying with any oral or written questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process to which the Shareholder is subject; *provided* that the Shareholder agrees to give the Company prompt notice of such request(s), to the extent practicable, so that the Company may seek an appropriate protective order or similar relief (and the Shareholder shall cooperate with such

efforts by the Company, and shall in any event make only the minimum disclosure required by such law, rule or regulation));

(iii) to any regulatory authority to which the Shareholder or any of its Affiliates is subject; *provided* that such authority is advised of the confidential nature of such information; or

(iv) if the prior written consent of the Board shall have been obtained. Nothing contained herein shall prevent the use (subject, to the extent possible, to a protective order) of Confidential Information in connection with the assertion or defense of any claim by or against the Company or the Shareholder.

(b) “**Confidential Information**” means any information concerning the Company or any Persons that are or become its Subsidiaries or the financial condition, business, operations or prospects of the Company or any such Persons in the possession of or furnished to the Shareholder (including by virtue of its present or former right to designate a director of the Company); *provided* that the term “Confidential Information” does not include information that (i) becomes known to the public through no fault of the Shareholder or its directors, officers, employees, stockholders, members, partners, agents, counsel, investment advisers or other representatives (all such persons being collectively referred to as “**Representatives**”); (ii) was available or becomes available to the Shareholder before, on or after the date hereof, without restriction, from a source other than the Company, which source is (at the time of receipt of the relevant information) not, to the best of the Shareholder’s knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) the Company or another Person; or (iii) is independently developed by the Shareholder without violating any confidentiality agreement with or other obligation of secrecy to the Company, and without reference to or use of any Confidential Information.

Section 3.03. *Conflicting Agreements.* Each of the Company and the Shareholder represents and agrees that it shall not grant any proxy or enter into or agree to be bound by any voting trust or agreement with respect to the Company Securities, or enter into any agreement or arrangement of any kind with any Person with respect to any Company Securities, in each case that is inconsistent with the provisions of this Agreement. Each of the Company and the Shareholder agree that nothing hereunder shall require the Company to take any action that would breach the Articles of Association or applicable law and, to the extent of any inconsistency between this Agreement and the Articles of Association, the terms of the Articles of Association shall prevail.

Section 3.04. *Corporate Opportunities.* To the fullest extent permitted by applicable law, the Company, on behalf of itself and its Subsidiaries, waives and renounces any right, interest or expectancy of the Company and/or its Subsidiaries in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to or business opportunities of which the Shareholder or any of its officers, directors, agents, shareholders, members, partners, Affiliates and Subsidiaries (other than the Company and its Subsidiaries) (each, a “**Specified Party**”) gain knowledge, even if the opportunity is competitive with the business of the Company or its Subsidiaries or one that the Company or its Subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so and each such Specified Party shall have no duty (statutory, fiduciary, contractual or otherwise) to communicate or offer such business opportunity to the Company and, to the fullest extent permitted by applicable law, shall not be liable to the Company or any of its Subsidiaries for breach of any statutory, fiduciary, contractual or other duty, as a director or otherwise, by reason of the fact that such Specified Party pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present or communicate such business opportunity, or information regarding such business opportunity, to the Company or its Subsidiaries. Notwithstanding anything in this Section 3.04 to the contrary, a Specified Party who is a director of the Company and who is offered a business opportunity for the Company or its Subsidiaries in his or her capacity solely as a director of the Company (a “**Directed Opportunity**”) shall be obligated to communicate such Directed

Opportunity to the Company; *provided, however*, that all of the protections of this Section 3.04 shall otherwise apply to the Specified Parties with respect to such Directed Opportunity, including the ability of the Specified Parties to pursue or acquire such Directed Opportunity, directly or indirectly, or to direct such Directed Opportunity to another person.

Section 3.05. *Stockholder Capacity*. Notwithstanding anything to the contrary, nothing in this Agreement shall limit or restrict any party from discharging any fiduciary duty, if any, and nothing herein shall be interpreted to the contrary. This Agreement shall apply to the Shareholder solely in the Shareholder's capacity as a holder or beneficial owner of voting securities of the Company. The Shareholder does not make any agreement or understanding in this Agreement in the Shareholder's capacity as a director or officer of the Company or any of its Subsidiaries (if the Shareholder holds such office).

ARTICLE 4 MISCELLANEOUS

Section 4.01. *Binding Effect; Assignability; Benefit*. (a) Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns. If the Shareholder ceases to beneficially own any Company Securities, it shall cease to be bound by the terms hereof (other than Sections 3.02, 4.02, 4.05, 4.06, 4.07, 4.09 and 4.10).

(b) Neither the Company nor the Shareholder shall assign or transfer all or any part of this Agreement without the prior written consent of the other party; *provided, however*, that the Shareholder shall be entitled to assign, in whole or in part, to any of its Permitted Assigns without such prior written consent. Any such Permitted Assignee that shall become a party to this Agreement shall (unless already bound hereby) execute and deliver to the Company an agreement to be bound by this Agreement in the form of Exhibit A hereto and shall thenceforth be deemed a "Shareholder."

(c) If the spouse of the Shareholder is not a party to this Agreement and possesses or obtains an interest in such Shareholder's Company Securities, including by reason of the application of the community property laws of any jurisdiction, such Shareholder shall promptly cause such spouse to (i) execute a Joinder Agreement and be bound by and subject to the terms of this Agreement as Shareholder, and (ii) deliver such Joinder Agreement to the Shareholder and the Company.

(d) Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 4.02. *Notices*. All notices, requests and other communications to any party shall be in writing and shall be delivered in person, mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission or email transmission so long as receipt of such email is requested and received:

if to the Company to:

Nu Holdings Ltd.
c/o Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square, KY1-9010
Grand Cayman, Cayman Islands

Attention: Legal Department
Email: chapter-legal@nubank.com.br

with a copy to (which copy shall not constitute notice):

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Byron B. Rooney
Fax: (212) 701-5658
Email: byron.rooney@davispolk.com

if to the Shareholder, to:

Rua California Ltd.
c/o Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square, KY1-9010
Grand Cayman, Cayman Islands
Attention: David Vélez Osorno
Email: david@nu.bank

All notices, requests and other communications (including those sent by electronic mail) shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt. Any notice, request or other written communication sent by facsimile transmission shall be confirmed by certified or registered mail, return receipt requested, posted within one Business Day, or by personal delivery, whether courier or otherwise, made within two Business Days after the date of such facsimile transmissions.

Any Permitted Assignee that becomes a Shareholder shall provide its address, fax number and email address to the Company.

Section 4.03. *Term; Waiver; Amendment.* (a) This Agreement shall terminate on the earlier to occur of: (i) such time as the Shareholder and its Affiliates collectively cease to beneficially own at least 5% of the Total Voting Power; (ii) the Shareholder and its Affiliates collectively cease to beneficially own any Company Securities; and (iii) upon the delivery of a written notice by the Shareholder to the Company requesting that this Agreement terminate (in each case, other than Sections 3.02, 4.02, 4.05, 4.06, 4.07, 4.09 and 4.10).

(b) This Agreement may be amended, waived or otherwise modified only by a written instrument executed by the parties hereto. In addition, any party may waive any provision of this Agreement with respect to itself by an instrument in writing executed by the party against whom the waiver is to be effective. Except as provided in the preceding sentences, no action taken pursuant to this Agreement, including any investigation by or on behalf of any party, will be deemed to constitute a waiver by the party taking such action of compliance with any covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach.

Section 4.04. *Fees and Expenses.* All costs and expenses incurred in connection with the preparation of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be

paid by the party incurring such costs or expenses.

Section 4.05. *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

Section 4.06. *Jurisdiction.* Each party hereto submits to the non-exclusive jurisdiction of the Cayman Islands courts for the purpose of any action arising out of or in relation to this Agreement. Each party agrees that, in any such action, it will not contest jurisdiction on the grounds that the Cayman Islands courts are an inconvenient forum or otherwise.

Section 4.07. *Specific Enforcement.* Each party hereto acknowledges that the remedies at law of the other parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any party to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available.

Section 4.08. *Counterparts; Effectiveness.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective as delivery of a manually executed counterpart of this Agreement. Each party hereto represents that it has undertaken commercially reasonable steps to verify the identity of each individual person executing any such counterparts via electronic signature on behalf of such party and has and will maintain sufficient records of the same. This Agreement shall become effective immediately prior to the closing of the IPO on the IPO Date; *provided*, that this Agreement shall be of no force and effect if the IPO has not been consummated within thirty (30) Business Days from the date of this Agreement. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 4.09. *Entire Agreement.* Together with the Articles of Association, this Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof. There are no agreements, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Articles of Association. This Agreement, together with the Articles of Association, supersedes all other prior agreements and understandings between the parties with respect to such subject matter.

Section 4.10. *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



**Amendment to the
Nu Holdings Ltd. 2020 Omnibus Incentive Plan**

This Amendment (this "Amendment") to Nu Holdings Ltd. (the "Company") 2020 Omnibus Incentive Plan (as amended or otherwise modified from time to time, the "Plan") is approved and adopted to be effective as of July 1, 2025 (the "Effective Date").

WHEREAS, the Company desires to amend the Plan in accordance with the terms and conditions of this Amendment; and

WHEREAS, the Company may amend the Plan pursuant to Section 5.2 of the Plan, with the approval of the Compensation and People Committee and of the Board of Directors of the Company.

AMENDMENT

NOW THEREFORE, effective as of the Effective Date, the terms and conditions of the Plan are amended as follows:

1. The definition of Fair Market Value as set forth in Section 2 of the Plan is hereby deleted in its entirety and replaced with the following:

"**Fair Market Value**" of a Share as of a particular date means the closing price of a Share on the Grant Date as quoted on the applicable exchange or other comparable reporting system or any other reasonable period as determined by the Company or the Board. Notwithstanding the foregoing, if the Board determines that an alternative definition of Fair Market Value should be used in connection with the grant, exercise, vesting, settlement or payout of any Award, it may specify such alternative definition in the applicable Award Agreement. Such alternative definition may include a price that is based upon a valuation report prepared by an independent and specialized appraisal firm or, in the case of Shares that are listed on a securities exchange, the opening, actual, high, low or average selling prices of a Share on the applicable securities exchange on the given date, the trading date preceding the given date, the trading date next succeeding the given date, or an average of trading days, as the case may be."

2. **Incorporation**: This Amendment shall be deemed as amending and incorporated into the Plan. All of the terms, conditions, and provisions of the Plan shall continue unchanged and remain in full force and effect except as expressly amended by this Amendment.

IN WITNESS WHEREOF, the Company hereby executes this Amendment as of the Effective Date.

Nu Holdings Ltd.

By: guilherme lago
Name: Guilherme Marques do Lago
Title: Chief Financial Officer

By: Youssef Lahrech
Name: Youssef Lahrech
Title: President & Chief Operating Officer



Subsidiaries of the Registrant

The following are the subsidiaries of the Registrant:

#	Entity	Principal activities	Functional currency	Country
1	Nu Pagamentos S.A. – Instituição de Pagamentos (“Nu Pagamentos”)	Credit card and prepaid account operations	BRL	Brazil
2	Nu Financeira S.A. – SCFI (“Nu Financeira”)	Loan operations	BRL	Brazil
3	Nu Investimentos Corretora de Valores S.A (“Nu Investimentos”)	Investment platform	BRL	Brazil
4	NuPay for Business Instituição de Pagamento Ltda. ("NuPay")	Payment Hub	BRL	Brazil
5	Internet – Fundo de Investimento em Participações Multiestratégia (“Internet FIP”)	Investment company	BRL	Brazil
6	Nu Asset Management Ltda. (“Nu Asset”)	Fund manager	BRL	Brazil
7	Nu Brasil Serviços Ltda. ("Nu Serviços")	Administrative Services	BRL	Brazil
8	Nu Brasil Tecnologia Ltda. ("NuTecnologia")	Information Technology Activities	BRL	Brazil
9	Nu Canais Ltda. (“Nu Canais”)	Insurance commission	BRL	Brazil
10	NuCommerce Ltda. (“Nu Plataformas”)	Services platform	BRL	Brazil
11	Nu Corretora de Seguros Ltda. (“Nu Corretora de Seguros”)	Insurance commission	BRL	Brazil
12	Nu Crypto Ltda. ("Nu Crypto")	Crypto services	BRL	Brazil
13	Olivia AI do Brasil Participações Ltda. ("Olivia Participações")	Services platform	BRL	Brazil
14	Olivia AI do Brasil – Instituição de Pagamento Ltda. ("Olivia IP")	Services platform	BRL	Brazil
15	Vérios Gestão de Recursos Ltda. (“Vérios”)	Fund manager	BRL	Brazil
16	Nu México Financiera, S.A. de C.V., S.F.P. – former (“Nu Mexico Financiera”)	Multiple purpose financial company	MXN	Mexico
17	Nu BN México, S.A. de CV (“Nu México”)	Multiple purpose financial company	MXN	Mexico
18	Nu BN Servicios México, S.A. de CV (“Nu Servicios”)	Credit card operations	MXN	Mexico
19	Nu BN Tecnologia, S.A de CV (“Nu Tecnologia”)	Computer consulting service	MXN	Mexico
20	Nu Colombia Compañía de Financiamiento S.A. ("Nu Colombia Financiera")	Loan operations and prepaid account	COP	Colombia
21	Nu Colombia SAS	Services platform	COP	Colombia
22	Nu Global Argentina S.A.	Services platform	ARS	Argentina
23	Nu Global Peru SAC	Services platform	PEN	Peru
24	Nu Global AG	Services platform	CHF	Switzerland
25	Nuplat S.A. ("Nuplat")	Talent E-Hub	UYU	Uruguay
26	Nu Tecnologia S.A (“Nu Tecnologia”)	Multiple purpose financial company	UYU	Uruguay
27	Nu Uruguay Investments S.A. ("Nu Uruguay Investments")	Holding Company	UYU	Uruguay
28	Nu 1-A, LLC (“Nu 1-A”)	Holding Company	US\$	USA
29	Nu 2-A, LLC (“Nu 2-A”)	Holding Company	US\$	USA
30	Nu 3-A, LLC (“Nu 3-A”)	Holding Company	US\$	USA
31	Nu 1-B, LLC (“Nu 1-B”)	Holding Company	US\$	USA
32	Nu 2-B, LLC (“Nu 2-B”)	Holding Company	US\$	USA
33	Nu 3-B, LLC (“Nu 3-B”)	Holding Company	US\$	USA
34	Nu MX LLC (“Nu MX”)	Holding Company	US\$	USA
35	Nu North America, Inc. (“Nu North America”)	Technology E-Hub	US\$	USA

36	Nu USA LLC	Holding Company	US\$	USA
37	Olivia AI, Inc ("Olivia Inc")	Services platform	US\$	USA

Effective: December, 2023

Last Reviewed: December, 2023

Nu Holdings Ltd.
INSIDER TRADING POLICY
Adopted in December 2023

Summary of Rules

- **First principles:** The Company has an environment of transparency of access to data and threatens Nubankers (as defined below) as owners, not renters. Given this, the Company expects full compliance with this Policy, and will apply disciplinary measures for any violation of this Policy;
 - Nubankers shall not trade in any securities of the Company when in possession of material non-public information and shall not provide such information to third parties, unless previously authorized by the Company;
 - Trading in the Company's securities is only allowed during the Trading Window specified in this Policy;
 - As a general rule, the Trading Window starts on the 1st business day following a quarterly or annual earnings release and ends on the third-to-last (inclusive) business day of month ending the quarter. If the last Trading Window day is not a business day, the ending date will be anticipated, and will be set in the previous business day, based on the jurisdictions that the securities are traded;
 - Ad hoc trading windows and ad hoc black-out periods may be determined by Compliance team, from time to time; and
 - Nubankers shall not engage in any transactions involving any hedging or derivatives of Company securities.
-

In order to take an active role in the prevention of insider trading violations by officers, directors, employees and interns ("Nubankers"^[1]) and other potential insiders of Nu Holdings Ltd. and its controlled affiliates (collectively, the "Company"), the Company has adopted this Insider Trading Policy (the "Policy").

Statement of Intent

The Company opposes the misuse of material non-public information ("MNPI") in the trading of any securities, included but not limited to the Company's securities, and it is the intent of this Policy to implement procedures designed to prevent trading based on MNPI regarding the Company or any other issuer. The Company also wishes to discourage Nubankers from acting contrary to the interests of its shareholders.

Definition of Material Non-Public Information

It is not possible to define all categories of material information. However, information should be regarded as material if (a) it may materially impact the prices of any security; (b) it may materially impact investors' decisions to exercise any right inherent to their condition as holders of any securities; or (c) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision regarding the purchase, sale, holding or hedging of any security. Either positive or negative information may be material information. Information is considered non-public if it has not been publicly disclosed in a manner making it available to investors generally on a broad-based non-exclusionary basis (e.g., a public filing). Addendum A of the Policy defines in general terms material nonpublic information (MNPI) and provides some examples of such type of information. Questions concerning whether information is material and non-public can be directed to the Compliance team.

Covered Parties (Insiders)

This Policy applies to (i) all Nubankers irrespective of where they are based, and extends to their spouses, domestic partners and any other close immediate family member, (ii) other people who gain access to MNPI, (iii) any account or vehicle over which the Nubanker has or shares the power, directly or indirectly, to make investment decisions (whether or not such persons have a financial interest in the account, such as funds of one or more private investment companies), (iv) any account established or maintained by Nubankers or their close immediate family members with their consent or knowledge and in which Nubankers or their close immediate family members have a direct or indirect financial interest, (v) other third parties that may be identified as potential insiders by the Company from time to time (each, an "Insider").

^[1] For the purposes of this Policy, the Nubanker definition also includes any account or vehicle over which the Nubanker has or shares the power, directly or indirectly, to make investment decisions (whether or not such persons have a financial interest in the account, such as funds of one or more private investment companies).

For the purposes of this Policy, close immediate family member means a member of a person's family who may be expected to influence, or be influenced by, such person in their dealings with the Company, including but not limited to a child, step-child, spouse, domestic partner, and any person that is economically dependent on such person and/or his or her spouse or domestic partner.

Nubankers are responsible to communicate the terms of this Policy to their close immediate family members and to ensure compliance by them to the best of their ability.

Covered Transactions

This Policy applies to all transactions in the Company's securities, issued by the Company from time to time, including common stock, common stock options, preferred stock, warrants and convertible debt, or securities related to the Company's stock, whether or not issued by the Company, such as derivative securities, publicly traded options and depositary receipts (e.g. BDR's).

Because employee share options or similar rights cannot be traded, the exercise of employee options or similar rights is not subject to this Policy. However, Company securities that are acquired upon exercise of an option will be treated like any other Company security under this Policy.

This Policy also applies to transactions involving any publicly traded securities issued by other companies where Nubankers learn MNPI about suppliers, customers, or competitors through their work at the Company.

The Company's Trading Window

The Company has determined that all Insiders shall be prohibited from buying, selling or otherwise effecting transactions in the Company's securities or derivatives based on the Company's securities EXCEPT during the trading window.

Lending Company securities may occur outside an open Trading Window whenever an Insider delegates full discretionary authority to a third party broker (designated broker in the case of Nubankers) as to when and in which conditions such securities lending may be executed, provided that such full discretionary authority is granted during an open Trading Window and the Insider has no MNPI at such time.

The trading window for a quarterly or annual earnings period starts on the 1st business day following the earnings release and lasts until the third-to-last business day of the month ending the quarter, inclusive; (as applicable, the "Trading Window").
If the last Trading Window day is not a business day, the ending date will be anticipated, and will be set in the previous business day, based on the jurisdictions that the securities are traded.

In addition, the Company, through Compliance, may authorize longer or additional trading windows in which buying, selling or otherwise effecting transactions in the Company's securities shall be permitted pursuant to this Policy as if in a standard "Trading Window."

Ad Hoc Black-Out Periods

Similarly, the Company, through Compliance, may impose special black-out periods during which certain Insiders will be prohibited from buying, selling or otherwise effecting transactions in any securities of the Company or derivative securities thereof, even though the Trading Window would otherwise be open (an "ad hoc black-out period").

If an ad hoc black-out period is imposed, Compliance will notify certain Insiders, who should thereafter not engage in any covered transaction involving the Company's securities and should not disclose the existence of the ad hoc black-out period to others.

Designated Brokers

Nubankers must use a pre-approved designated broker while trading in Company securities. Custody of the securities should also be maintained in such designated brokers. The list of pre-approved designated brokers is available on the Confluence portal. The Compliance team may, on a case by case basis, make an exception to the designated brokers list. Trading in Company securities outside of the designated brokers is a violation of this Policy.

Prohibited Transactions and Conduct

Trading in securities in possession of MNPI

No Insider shall engage in any transaction involving the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that the Insider comes into possession of MNPI concerning the Company and ending at the beginning of the trading day following the date of public disclosure of that information, or at such time as such MNPI is no longer material.

Even during a Trading Window and whether or not under an ad hoc black-out period, any person possessing MNPI should not engage in any covered transactions in the Company's securities until the beginning of the trading day following the date of public disclosure of such MNPI.

No Insider shall engage in any transaction involving another company's publicly traded securities while in possession of MNPI about such company when that information is obtained in the course of employment with, or the performance of services on behalf of, the Company and for which there is a relationship of trust and confidence concerning the MNPI.

"Tipping" to third parties

No Insider shall disclose ("tip") MNPI about the Company to any other person where such information may be used by such person to his or her profit by trading in the Company's securities, nor shall such Insider make recommendations or express opinions on the basis of MNPI as to trading in the Company's securities. This restriction is also applicable to other issuers' securities.

Hedging, derivatives and short selling

Except for participation in the Company's share option program, Nubankers shall not engage in any transactions involving any hedging, short selling or derivatives of Company securities, including trading in futures and derivative securities and engaging in hedging activities relating to Company securities, including exchange traded options, puts, calls, collars, forward sale contracts, equity swaps, exchange funds or other arrangements or instruments designed to hedge or offset decreases in the market value of the Company's securities.

Nubankers are required to comply with the Code of Conduct at all times.

Problematic Transactions

Pledging or margin accounts for Nubankers

While pledging Company securities is allowed, Nubankers should be aware of the associated risks. Specifically, pledged securities may be sold by the pledgee without the pledgor's consent under certain conditions. For example, securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Because such a sale may occur at a time when a Nubanker has MNPI or is otherwise not permitted to trade in Company securities, Nubankers should be conscious of the risks associated with pledging Company securities, including by purchasing Company securities on margin or holding Company securities in a margin account.

Speculation

Investing in the Company's securities provides an opportunity to share in the future growth of the Company. But investment in the Company and sharing in the growth of the Company does not mean short range speculation based on fluctuations in the market. Such activities put the personal gain of the Nubanker in conflict with the best interests of the Company and its shareholders. Although this policy does not mean that Nubankers may never sell shares, frequent trading in Company securities should be avoided. Speculating in Company securities is not part of the Company culture.

Limit orders

Limit orders with brokers should not extend beyond any Trading Window and should be cancellable upon an imposition of an ad hoc black-out period.

Options

Exercising options issued pursuant to the Company's share option plan, as otherwise permitted under this Policy, is not considered problematic. The exercise of options under the Company's share option plan with a cash payment of the exercise (also known as cash exercise or exercise and hold) price is exempt from this Policy, since the other party to these transactions is the Company itself and the price does not vary with the market, but is fixed by the terms of the option agreement. This exemption does not apply to the sale of any shares issued upon such exercise and it does not apply to a cashless exercise of options (also known as same-day-sale), which is accomplished by a sale of a portion of the shares issued upon exercise of an option.

Adoption and Effect of 10b5-1 and Other Relevant Trading Plans

The Company may approve and allow all directors, officers and other employees to adopt trading plans in accordance with U.S. Securities and Exchange Commission Rule 10b5-1(c) (17 C.F.R. § 240.10b5-1(c)) and other relevant local regulations and otherwise pursuant to the Company's procedure for adopting such a trading plan (a "share trading plan"). The Addendum B of this Policy defines all guidelines applicable to trading plans.

The restrictions on trading set forth in this Policy shall not apply to trades made pursuant to a share trading plan.

Individual Responsibility

Every Nubanker has the individual responsibility to comply with this Policy and the applicable laws of their jurisdiction. An Insider may, from time to time, have to renounce a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the MNPI and even though the Insider believes he or she may suffer an economic loss or renounce anticipated profit by doing so. **Trading in the Company's securities during the Trading Window should not be considered a "safe harbor," and all Nubankers should use good judgment at all times.**

Insider Monitoring and Privacy

Every Nubanker must acknowledge and authorize that the compliance with the requirements of this Policy by Insiders may be subject to monitoring by the Company (or third-parties on behalf of the Company) and by official authorities.

In this sense, Nubankers must be aware that trading information will be monitored in order to prevent any breach of this Policy.

The Company takes privacy seriously and will treat any information obtained through such monitoring as highly confidential. The Company will limit monitoring to what is necessary for the purpose of this Policy, and will conduct all monitoring in a secure, lawful and proportionate way.

Consequences for Violation

Insiders may be subject to criminal and civil fines and penalties as well as imprisonment for engaging in transactions in securities at a time when they have knowledge of MNPI regarding the issuer or its controlled affiliates. In addition, Insiders may be liable for improper transactions by any person (commonly referred to as a “tippee”) to whom they have disclosed MNPI or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in related securities.

Nubankers who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company’s share option plan and other incentive plans or termination of employment.

Any questions about this Policy should be directed to Compliance at [#ethics-help](#).

Version	Description of change	Date of change	Squad responsible	Date of approval	Approver
1.0	Initial Version	-	Compliance	10/2021	Board of Directors
2.0	Reviewed Version	11/2021	Compliance	11/2021	Board of Directors
3.0	Reviewed Version Inclusion of Addendum A	02/2022	Compliance	02/2022	Board of Directors
4.0	Reviewed Version Inclusion of Addendum B	02/2022	Compliance	02/2022	Board of Directors
5.0	Reviewed version Change on the TW period, Lendings	04/2022	Compliance	05/2022	Board of Directors
6.0	Reviewed version Clarification of TW last day Provision in Addendum B	05/2022	Compliance	06/2022	Board of Directors
7.0	Reviewed version Changes in Trading Plans requirements	05/2023	Compliance	05/2023	Board of Directors
8.0	Reviewed version Changes Trading Window; regulatory requirements	12/2023	Compliance	12/2023	Board of Directors

**Addendum A
Material Nonpublic Information**

This addendum aims to define in general terms material nonpublic information (MNPI) and to provide some examples of such type of information.

As described in the Insider Trading Policy, it is not possible to exhaustively define all categories of material information. Some situations, however, have a higher probability of being considered as MNPI, in light of the regulation and applicable case law. The likely characterization of information as MNPI is information that is material if a reasonable investor would consider it important to an investment decision or if the “total mix” of information is altered. The definition of material, therefore, largely depends on the context in which investors are influenced when making an investment decision related to company securities (e.g. purchase, sale, holding or hedging of any security), once it becomes public.

While regulators apply a backward-looking test in assessing materiality, the key here is that there is no bright-line rule, and materiality depends upon the totality of the circumstances. For example, case law has focused on type of information, the result of information and whether the company itself considered the information to be material.

In addition to determining if information is material to influence investment decisions, it is important to determine when such information becomes public, so investors are able to trade based on the same level of information. Trading windows are usually placed right after earnings release. This means that this period is when the asymmetry of information is expected to be mitigated. In other words, the market would have the same level of information as internal insiders, mitigating MNPI risks. Information that was considered MNPI prior to the release can no longer be considered MNPI during the period of the Trading Windows as long as they have been disclosed to the public.

There might be situations where MNPI is not disclosed during earnings release, due to its strategic value and according to a legitimate interest of the issuer may be kept confidential. If you have access to any of such MNPI during a trading window, you are prevented from trading any company's securities.

Non exhaustive list of examples of potential MNPI. If a particular situation is not described below it does not mean that it is not MNPI. If in doubt, you must apply your best judgment focusing on whether such information may influence the market price of Nu stock if known by the public and you should also check with the Compliance team if you are in doubt.

(i) Financial results or related information

Material information may include information regarding profit or loss, dividend payment practice and estimates, earnings estimates, guidance and projections, short and medium term financial goals, changes in previously released earnings estimates, among others. Underlying information may also be considered material, such as customer growth and accounting provisions, provided that in all cases such information individually or in aggregate can affect the pricing of the securities. Pieces of operational information alone have low probability to be considered MNPI, unless they can influence the market.

(ii) Change of control

Negotiations and agreements to transfer the company shareholding control, shareholders agreement, initiating, amending or terminating a shareholders' agreement to which the company is a party or intervening party, or that has been registered in the company's proper books and records (even if such negotiations and agreements are subject to conditions precedent or subsequent).

(iii) M&A and corporate restructurings

Transactions involving the Company and its affiliates or investment in other companies, such as mergers, acquisitions, changes in the company's corporate structure, including total or partial spin-off, or any form of corporate reorganization and joint-ventures, or substantial sales of assets

(iv) Contracts and projects

Execution, change or termination (or failure of executing, changing or terminating) of relevant contractual agreements when the expectation of implementation is public, launch of new projects and business units that may represent material revenues or expenses or discussions and decisions to enter a new market or geography.

(v) Products and technologies

Discovery, change or development of technology or resources, exit/entry of relevant company's shareholder (that has operational, financial, technological, administrative agreements or collaboration), starting, resuming or stopping of the offering or sale of a product or service, which may impact either present or future material revenues or expenses approval, change or withdrawal of a project or delay in its implementation.

(vi) Registration and other corporate events

Registration for public offerings (including follow-ons and tender offers), authorization to trade company securities in new countries (or delisting), decision to cancel the Company's registration as a securities issuer in any jurisdiction, change of listing venue or trading segment of its shares, changes in the rights and benefits of the securities issued by the company (stock split or reverse stock split, issuance of warrants, options, equities bonus, etc), transformation or dissolution of the company.

(vii) Accounting changes or equity changes

Changes in equity composition or accounting policies, renegotiation of liabilities; purchase of securities to be held in treasury, their cancellation and/or disposal and the sale of securities purchased in that manner; approval of the stock option plan or amendments thereto or of share buyback programs.

(viii) Material litigation and other incidents

Request for judicial or extrajudicial damages, petition for bankruptcy or filing of lawsuit, administrative procedure or arbitration that may affect the company's economic-financial situation (including those filed by regulators), cyber-attacks and other information security incidents before made public.

(ix) Changes in management

Major changes in the Company and most relevant subsidiaries, including the hiring or resignation of directors and officers and heads of business units and geographies.

Further information

In order to assist Nubankers in determining whether they are in possession of MNPI, Compliance will manage blocklists, with direct input from the BUs, covering people that are working in or have had exposure to relevant projects that have an increased likelihood of being deemed MNPI. If you receive a notification that you are in a blocklist, you will not be allowed to trade during an open Trading Window until you receive a notification that the blocklist has been terminated.

If you were not included in a blocklist, but still believe you are in possession of MNPI during an open Trading Window, you should fill the form [\[link\]](#) and refrain from any trading or disclosing information that could be MNPI. Compliance will assess the content and seek support from IR and Legal. Based on your report, Compliance will assess whether you should refrain from trading company securities during the period that the information is not public.

Finally, if you have access to information that could be considered MNPI, you must discuss with the General Manager of your BU as to how you, as a team, will communicate it to the Investors Relations team, which will define the appropriateness of an eventual communication to the market.

Addendum B Trading Plans

This addendum defines all guidelines applicable to share trading plans (or "trading plan") approval process and adoption by eligible Nubankers, aligned with the current Company's Insider Trading Policy.

What are Trading Plans?

Shares trading plans ("Trading Plans" or "Plans") set forth in accordance with U.S. Securities and Exchange Commission Rule 10b5-1, enables their participants to set up a trading schedule in order to instruct a Plan Provider (as defined below) to execute trades on company securities subject to certain previously established parameters (such as price, amount of shares and timing). Trading Plans must be submitted to prior approval of the Company and be structured in compliance with all guidelines set out herein.

Who is eligible to set up a Plan?

As per our Insider Trading Policy, Directors, Officers and employees, all Nubankers, may adopt a written trading plan. Trading Plans are usually set up by employees who have high and frequent exposure to MNPI.

Why do I need a Trading Plan?

Trade plans entered into within the scope of rule 10b5-1 provide the participant with an affirmative defense that enables trading on their behalf (by the Plan Provider) when they would otherwise be prevented from trading due to MNPI. As a result, it gives the participant the ability to have securities traded outside open Trading Windows.

As per our Insider Trading Policy, you may trade company's securities during specific 'open' Trading Windows provided that you are not in possession of MNPI. Therefore, setting up a Plan may not be for everyone, but can be an option for those who are more frequently exposed to MNPI and/or may need to establish a trading schedule beyond the open Trading Windows for personal reasons.

If you have influence on corporate disclosure and the timing to share MNPI with the market, you must not make disclosure decisions or recommendations based on your particular Plan. If you do that, you will not have the affirmative defense available and will risk committing insider trading liability under the law. Mere awareness of the material nonpublic information is sufficient for liability.

What types of securities and trades are available in the context of a Trading Plan?

Only Nu Shares (ticker - NU) listed at the NYSE (not BDRs) initially received as part of the equity compensation (variable compensation, i.e. RSUs, SOP, future ESPP) from the Company, and only sell trades are available. If you wish to buy Nu securities in the open market, you must follow the Insider Trading Policy and trade during an open Trading Window.

When am I able to set up a plan?

Although discussions about how a Trading Plan works can be had at any time with the Plan Provider, you can only enter into (formally adhere to) a Plan when there is an open Trading Window, as per the Insider Trading Policy, provided that you are not in possession of MNPI.

As all individual plans must be approved by Controllershship (Stock Admin), Legal and/or Compliance, and such approval must be given within the Trading Window, we strongly recommend that all plan submissions are presented up to 5 business days before the end of an open Trading Window. Plans submitted after that may not be approved in time within the Trading Window and will need to be re-submitted in the next open Trading Window.

Setting up a Trading Plan outside of an open Trading Window and/or in possession of MNPI may constitute insider trading. Mere awareness that there is MNPI is sufficient for liability.

What are the main characteristics of the Trading Plan available to Nubankers, including D&Os^[2]?

a. Cooling off period (applicable to D&Os): trading under the plan will not begin until the later of (1) 91 days after the adoption of the Plan or (3) tree business days following the disclosure of Nu Holdings Ltd.'s financial results in a Form 20-F or Form 6-K (but in any event, the required cooling-off period is subject to a maximum of 120 days after adoption of the Plan).

b. Cooling off period (applicable to non D&Os): 30 days after the adoption of the Plan - minimum period between entering into a Plan and the first trading to be executed in connection with the Plan.

^[2] D&Os of Nu Holdings Ltd, as defined by Rule 16a-1(f))93:

SEC Rule 16a (f) The term "officer" shall mean an issuer's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the issuer in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer. Officers of the issuer's parent(s) or subsidiaries shall be deemed officers of the issuer if they perform such policy-making functions for the issuer. In addition, when the issuer is a limited partnership, officers or employees of the general partner(s) who perform policy-making functions for the limited partnership are deemed officers of the limited partnership. When the issuer is a trust, officers or employees of the trustee(s) who perform policy-making functions for the trust are deemed officers of the trust.

Cooling off is applicable to **new plans or modifications that change the pricing, amount of securities, or timing of trades**, but not changes such as a change in account information or an adjustment for stock splits.

c. Duration of the Plan: minimum of 6 months to 2 years - tenor between the first and the last trade to be executed under the Plan. Insiders may have one single-trade plan per 12-month period (except for sell-to-cover trades).

d. Termination and Amendments: Amendments that specifically provide a modification or change to the amount, price, or timing of the sale of the securities (or a modification or change to a written formula or algorithm, or computer program that affects the amount, price, or timing of the sale of the securities) are considered a termination of the existing Plan and the adoption of a new Plan, which is subject to the cooling off periods.

Amendments to existing Plans and adoption of new Plans can only be made during an open trading window and provided that you do not possess MNPI. Plan must not permit the insider to exercise subsequent influence over the plan transactions.

Termination of an existing plan can be requested any time, even outside the Trading Window, as long as the Nubanker is not in possession of MNPI.

e. Certifications: Any person who has adopted a Plan must act in good faith with respect to the Plan from the time of adoption through the duration of the Plan, rather than just enter into the Plan in good faith. Also, D&Os must certify in their Plans at time of adoption or modification that they (i) are not aware of MNPI about the Company or its securities and (ii) are adopting the Plan in good faith and not as part of a plan or scheme to evade insider trading prohibitions of Rule 10b5-1.

How much of my stock can I sell under the Plan?

In order to protect and avoid negative impact on the price of the company's securities, you may sell up to 25% of your total vested and unvested stock annually.

Can I trade outside the Plan?

You can trade outside the Plan during an open Trading Window in adherence to the rules set forth in the Insider Trading Policy. However, it is not permitted to enter into any trade, outside the Plan, to hedge or mitigate risks arising out of the trades that have been scheduled within the Plan.

Can I discuss the parameters and/or the convenience to execute a plan with other Nubankers?

No, discussing when is the best time or what are best parameters of a Trading Plan with colleagues may contaminate your decision with the possession of MNPI that the other person may have and may be seen by regulators as a concert to manipulate the stock price or as a scheme to evade applicable restrictions.

Are there costs involved in setting a Trading Plan and executing trades under the plan?

Yes. Current costs are \$0.02 per share, subject to a \$25.00 minimum. The fees will be deducted from any proceeds recognized from the trades. Please consult the plan available for you to check the most updated fee pricing.

Which broker can be a Plan Provider to Nubankers? Can I have multiple plans?

As a matter of the Insider Trading Policy, all Nubankers must trade Nu's securities through a list of designated brokers. Among those, E-Trade is our stock plan administrator who provides all Nubankers who receive compensation in equity a limited purpose brokerage account, through which they can sell Nu shares when there are open Trading Windows. E-Trade is currently the one and only Plan Provider for the larger population of Nubankers. Directors & Officers may have access to Trading Plans through Morgan Stanley, affiliated to E-Trade or in other Broker upon request and assessment by Legal and Compliance. Each Nubanker may have only one Plan in place at any time. Insiders may have one single-trade plan per 12-month period (except for sell-to-cover trades).

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Vélez Osorno, certify that:

1. I have reviewed this annual report on Form 20-F of Nu Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 16, 2025

By: /s/ David Vélez Osorno

Name: David Vélez Osorno

Title: Chairman and Chief Executive Officer

CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Guilherme Marques do Lago, certify that:

1. I have reviewed this annual report on Form 20-F of Nu Holdings Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April,16, 2025

By: /s/ Guilherme Marques do Lago

Name: Guilherme Marques do Lago

Title: Chief Financial Officer

**CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Nu Holdings Ltd. (the “Company”) for the fiscal year ended December 31, 2024 (the “Report”).

I, David Vélez Osorno, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April,16, 2025

By: /s/ David Vélez Osorno

Name: David Vélez Osorno

Title: Chairman and Chief Executive Officer

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F of Nu Holdings Ltd. (the “Company”) for the fiscal year ended December 31, 2024 (the “Report”).

I, Guilherme Marques do Lago, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April,16, 2025

By: /s/ Guilherme Marques do Lago

Name: Guilherme Marques do Lago

Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-261924) on Form S-8 of our report dated April 16, 2025, with respect to the consolidated financial statements of Nu Holdings Ltd. and the effectiveness of internal control over financial reporting.

KPMG Auditores Independentes Ltda. São Paulo, Brazil

April 16, 2025

Effective: 2nd, October, 2023

Last Reviewed: 2nd, October, 2023

NU HOLDINGS LTD.
COMPENSATION CLAWBACK POLICY
Approved in November 2023

Summary

This Compensation Clawback Policy (the “**Policy**”) has been adopted by the Board of Directors (“the **Board**”) of Nu Holdings Ltd. (the “**Company**”) on November 10, 2023. This Policy provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U.S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 303A.14 of the NYSE Listed Company Manual (the “**Listing Rule**”).

1. Definitions

For the purposes of this Policy, the following terms shall have the meanings set forth below.

“**Committee**” means the Leadership Development, Diversity and Compensation Committee of the Board or any successor committee thereof. If the Leadership Development, Diversity and Compensation Committee is no longer in place, or there is no other compensation committee of the Board, references herein to the Committee shall refer to the Company’s committee of independent directors that is responsible for executive compensation decisions, or in the absence of such a compensation committee, the independent members of the Board.

“**Covered Compensation**” means any Incentive-based Compensation “received” by a Covered Executive during the applicable Recoupment Period; *provided that*:

- (i) such Incentive-based Compensation was received by such Covered Executive (A) on or after the Effective Date, (B) after he or she commenced service as an Executive Officer and (C) while the Company had a class of securities publicly listed on a United States national securities exchange; and
 - (ii) such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive-based Compensation.
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For purposes of this Policy, Incentive-based Compensation is “**received**” by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive-based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive-based Compensation is made thereafter.

“**Covered Executive**” means any current or former Executive Officer.

“**Effective Date**” means the date on which the Listing Rule becomes effective, i.e. October 2, 2023.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

“**Executive Officer**” means, with respect to the Company, the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, the Chief Growth Officer, Chief Risk Officer, Chief Product Officer, Chief Legal Officer, Chief People Officer, Chief Technology Officer and Chief Accounting Officer/Controller and any other person (including any officer) who performs a policy-making function for the Company (including any officer of the Company’s parent(s) or subsidiaries if they perform policy-making functions for the Company).

“**Financial Reporting Measure**” means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, (ii) share price measure or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any measure referenced in clause (i), (ii) or (iii) above). For the avoidance of doubt, any such measure does not need to be presented within the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission to constitute a Financial Reporting Measure.

“**Financial Restatement**” means a restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under U.S. federal securities laws that is required in order to correct:

- (i) an error in previously issued financial statements that is material to the previously issued financial statements; or
- (ii) an error that would result in a material misstatement if the error was (A) corrected in the current period or (B) left uncorrected in the current period.

For purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a revision of the Company’s financial statements due to an out-of-period adjustment (i.e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company’s internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; (5) revision for share splits, reverse share splits, share dividends or other changes in capital structure; or (6) adjustment to provisional amounts in connection with a prior business combination.

"Incentive-based Compensation" means any compensation (including, for the avoidance of doubt, any cash or equity or equity-based compensation, whether deferred or current) that is granted, earned and/or vested based wholly or in part directly linked to the achievement of a Financial Reporting Measure. For purposes of this Policy, "Incentive-based Compensation" shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive-based Compensation (including, without limitation, any amounts under any long-term disability, life insurance or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive-based Compensation, as well as any earnings accrued thereon).

"NYSE" means the New York Stock Exchange, or any successor thereof.

"Recoupment Period" means the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date. Notwithstanding the foregoing, the Recoupment Period additionally includes any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

"Recoupment Trigger Date" means the earlier of (i) the date that the Board (or a committee thereof or the officer(s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

2. Recoupment of Erroneously Awarded Compensation

(a) In the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the **"Awarded Compensation"**) exceeds the amount of such Covered Compensation that would have otherwise been received by such Covered Executive if calculated based on the Financial Restatement (the **"Adjusted Compensation"**), the Company shall reasonably promptly recover from such Covered Executive [an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre-tax basis and including the impact of any employer retirement contributions or other benefits paid as a result] (such amount, the **"Erroneously Awarded Compensation"**).

(b) Upon notice of a Financial Restatement, the Committee shall seek to initiate the recovery of any Erroneously Awarded Compensation, without discretion or delay, by delivering written notice of such Financial Restatement to a Covered Executive specifying the reasons for the Financial Restatement and the effects, if any, on their Incentive-based Compensation.

(c) If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is share price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre-tax basis) based on the Company's reasonable estimate of the effect of the Financial Restatement on the Company's share price or total shareholder return (upon which such Covered Compensation was received).

(d) For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement.

(e) Notwithstanding anything to the contrary in Sections 2(a) through (d) hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in either of the following clauses (i), (ii), or (iii) are satisfied and (y) the Board's committee of independent directors responsible for executive compensation decisions (or, in the absence of such a committee, a majority of the independent directors serving on the Board) has determined that recovery of the Erroneously Awarded Compensation would be impracticable:

(i) the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; *provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(e) (including taking into account local labor laws where the officer is domiciled, prohibiting such a clawback) the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to make such recovery and provide that documentation to the NYSE;

(ii) recovery of the Erroneously Awarded Compensation would violate the laws of the Cayman Islands to the extent such law was adopted prior to November 28, 2022 (*provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(d)), the Company shall have first obtained an opinion of home country counsel of the Cayman Islands, that is acceptable to the NYSE, that recovery would result in such a violation, and the Company must provide such opinion to the NYSE; or

(iii) recovery of the Erroneously Awarded Compensation would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

(f) The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums or gross-up payments.

(g) The Committee shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law and in light of the Company's legal and contractual obligations and any applicable compensation recovery or clawback provisions under applicable laws or regulations, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity-based awards; (iii) offsetting the Erroneously Awarded Compensation amount from any compensation, wages or salary otherwise owed by the Company or any of its affiliates to the Covered Executive^[1]; (iv) cancelling outstanding vested or unvested equity or equity-based awards^[2]; and/or (v) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 2(d), in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation; *provided* that, to the extent necessary to avoid any adverse tax consequences to the Covered Executive pursuant to Section 409A of the Code (or any other applicable tax law), to the extent practicable, any offsets against amounts under any nonqualified deferred compensation plans (as defined under Section 409A of the Code) (or any compensation deferred pursuant to any other applicable tax law) shall be made in compliance with Section 409A of the Code or such other applicable tax law.

(h) The Committee may establish a reasonable schedule for the recovery of any Erroneously Awarded Compensation from a Covered Executive taking into account the financial circumstances of such Covered Executive.

3. Administration

This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations.

Any and all future Incentive-based Compensation programs and plans should also be approved by the Chief Financial Officer of the Company.

Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act and the Listing Rule, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee.

^[1] **Note to Nu** To confirm what is required by Brazilian law in order to offset. Can have Executive Officers sign an acknowledgment that they are subject to the policy.

^[2] **Note to Nu:** to include the ability to claw back in the terms of any future grant, Future grants to be drafted so that Company has a right to cancel unvested equity and then has a right of repurchase/ obligation on holder to surrender any vested equity. This could then be supported by a power of attorney to enable the Company to enforce these provisions if the holder didn't comply.

4. Amendment/Termination

Subject to Section 10D of the Exchange Act and the Listing Rule, this Policy may be amended or terminated by the Committee at any time. To the extent that any applicable law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange.

5. Interpretation

Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and the Listing Rule (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

6. Other Compensation Clawback/Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies, rights or requirements with respect to the clawback or recoupment of any compensation that may be available to the Company pursuant to the terms of any other recoupment or clawback policy of the Company (or any of its affiliates) that may be in effect from time to time, any provisions in any employment agreement, offer letter, equity plan, equity award agreement or similar plan or agreement, and any other legal remedies available to the Company, as well as applicable law, stock market or exchange rules, listing standards or regulations; *provided, however*, that any amounts recouped or clawed back under any other policy that would be recoupable under this Policy shall count toward any required clawback or recoupment under this Policy and vice versa.

7. Exempt Compensation

Notwithstanding anything to the contrary herein, the Company has no obligation under this Policy to seek recoupment of amounts paid to a Covered Executive which are granted, vested or earned based solely upon the occurrence or non-occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salary, time-vesting awards, retention plans, compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures or compensation awarded solely at the discretion of the Committee or the Board, *provided* that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure performance goal.

8. Miscellaneous

(a) Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Covered Executive's compensation became effective, including, without limitation, any Incentive-Based Compensation received under the Nu Holdings Ltd. 2020 Omnibus Incentive Plan, and any successor plan to each of the foregoing.

(b) This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

(c) Executive Officers who receive Incentive-based Compensation acknowledge and agree to comply with this Policy. In the event of a Financial Restatement, Executive Officers who were serving in their executive capacity during the Restatement Period shall cooperate fully with the Company and promptly comply with any requests or actions necessary for the recovery of Erroneously Awarded Compensation. This obligation applies to all Incentive-based Compensation received by Executive Officers, whether or not their explicit acceptance is required.

(d) All issues concerning the construction, validity, enforcement and interpretation of this Policy and all related documents, including, without limitation, any employment agreement, offer letter, equity award agreement or similar agreement, shall be governed by, and construed in accordance with, the laws of the Cayman Islands, without giving effect to any choice of law or conflict of law rules or provisions (whether of the Cayman Islands or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Cayman Islands.

(e) The Covered Executives, their beneficiaries, executors, administrators, and any other legal representative, and the Company shall initially attempt to resolve all claims, disputes, or controversies arising under, out of, or in connection with this Policy by conducting good faith negotiations amongst themselves. To ensure the timely and economical resolution of disputes that arise in connection with this Policy, any and all disputes, claims, or causes of action arising from or relating to the enforcement, performance, or interpretation of this Policy shall be resolved to the fullest extent permitted by law by final, binding, and confidential arbitration, administered by CAM-CCBC (Centro de Arbitragem e Mediação da Câmara de Comércio Brasil-Canadá) in accordance with its Arbitration Rules, as in effect at the time of the dispute. The seat of arbitration shall be New York City - New York. The language of the arbitration shall be English. The arbitrator shall have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law. The arbitrator shall issue a written arbitration decision, including the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that any party would be entitled to seek in a court of law. Any such award rendered shall be enforceable by any court having jurisdiction, and the Covered Executives, their beneficiaries, executors, administrators, and any other legal representative, and the Company, shall waive (and shall hereby be deemed to have waived) the right to resolve any such dispute regarding enforcement of such award through a trial by jury. By agreeing to this arbitration clause, the parties waive (and shall be deemed to have waived) the right to resolve any dispute covered by this clause through a trial by jury or judge or administrative proceeding, and any objection to arbitration taking place in New York City - New York.

(f) If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.