

Nu Holdings Ltd. (NYSE: NU)

Equity research note · Review of published levels and new developments · Prepared 27 September 2026 · Prices as at the close of 25 September 2026 · All figures in US dollars unless stated

Rating	WATCHLIST (unchanged)	Last close	\$13.59 (25 Sep 2026)
Investment score	66 / 100 (previously 68)	Market capitalisation	\$65.7bn
Weighted fair value	\$16.00 standalone (+17.8%); \$13.86 - \$15.09 if the reported Monzo terms were agreed	P/E trailing · forward	18.6x · 15.3x (2026 consensus \$0.89)
Watch zone	\$12.40 - \$13.00 (watch price \$12.80)	Price / book	4.95x on 30 Jun BVPS of \$2.74
Horizon	12 - 24 months	Since 4 Sep note	-11.6% (Ibovespa -0.9%)

The rating is unchanged, but the reason for it is new. The shares fell 11.6% in three weeks, into the \$13.40 to \$14.20 zone the September note set as a Buy condition, while the Brazilian market barely moved. On its own that would argue for an upgrade. Two developments argue against it. On 26 September, after the last close, Sky News reported that Nubank is in early talks to buy the UK digital bank Monzo at a valuation of £8bn to £10bn, roughly 16% to 20% of Nu's own market value and close to all of its book equity. Separately, Brazil's central bank has said that in the coming months it will act on credit cards and unsecured personal loans, the two lines that make up about 92% of Nu's loan book. Neither item is in Friday's price with any certainty, and a buyer today would be taking both unsized. The level at which the name becomes interesting has been reset lower, to \$12.40 to \$13.00.

1. What has moved since 7 September

The September note held Watchlist at \$15.37 on two unanswered questions, an effective tax rate that halved to 14.2% in the second quarter without explanation and a Brazilian election likely to run to a second round on 25 October, and noted that the early-September rally looked like Brazilian index beta rather than anything specific to Nu. Neither question has been answered. What has changed is that the stock has now fallen sharply for reasons that are specific to Nu.

Development	At 7 September	Where it stands now	Direction
Share price	\$15.37, up 4.3% in three weeks with the Ibovespa	\$13.59 on 25 September, down 11.6%. The Ibovespa closed at 183,477, down 0.9% over the same period, and the real weakened 1.5% to 5.181 per dollar. The fall is overwhelmingly Nu-specific.	Cheaper, for company-specific reasons
US policy rate	A rise on 16 September priced at about 60%; 10-year Treasury at 4.78%	The Federal Reserve raised its target range 25bp to 3.75%-4.00% on 16 September, unanimously, and projected one further rise this year. The 10-year Treasury yield closed the week at 5.17%, the highest since 2007.	Worse. A higher discount rate on a long-duration emerging-market earnings stream
Brazilian policy rate	Selic 14.00%, next Copom mid-September	Copom cut 25bp to 13.75% on 16 September and said the total size of the cycle will depend on new information. The Focus survey has 2026 inflation at 4.9%.	Neutral. Easing continues, slowly
Brazilian election	Runoff on 25 October likely; head-to-head 44% each (Real Time Big Data)	Datafolha, 22-23 September: Lula 40%, Flavio Bolsonaro 36% in the first round; 47% to 45% in a runoff, inside the 2-point margin. First round 4 October.	Unchanged. Still a coin toss, now one week away
Brazilian credit regulation	Not covered	Central bank has said it will act on credit cards and unsecured personal loans "in the coming months"; tighter capital risk weights for those lines are under consideration. See Company developments.	Worse. A pending rule on the core book
Strategy and M&A	US entry expected; investor day 8 December	US launch on 10 September through a partner bank, plus a new multi-currency product, Nu Global. On 26 September Sky News reported talks to acquire Monzo at £8bn-£10bn.	Mixed on the US, negative on capital until terms are known
Analyst views	Consensus mean \$18.78 across 22 analysts	Itau BBA cut to Market Perform on 16 September, target \$18 (end-2027) from \$20, cutting its 2027 profit estimate 8%. Goldman Sachs held Buy at \$23 on 24 September. Mean target \$18.69 across 22 analysts, range \$12 to \$23.	Slightly worse

Sources: Alpha Vantage quote; Twelve Data daily series; Exame market close of 25 September 2026; Federal Reserve decision coverage (CNBC, Fox Business, 16 September); Copom decision of 16 September; Datafolha via Al Jazeera, 25 September; Nu Holdings releases and Form 6-K of 10 September; Sky News via Reuters and Investing.com, 26 September; moomoo research feed and StockAnalysis.com as at 27 September 2026.

2. Company developments

Four company-level items in the period matter for the thesis. Two are rated High: one is a reported acquisition and the other a pending rule. Neither has been confirmed in final form, so both are sized as ranges rather than point estimates.

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Talks to acquire Monzo (UK)	Reported, 26 Sep 2026 (Sky News; Reuters, Bloomberg relayed). Not confirmed.	Early-stage talks at a £8bn-£10bn valuation (about \$10.6bn-\$13.3bn); likely mix of cash and stock, per the reports. Monzo has hired Morgan Stanley and Qatalyst. Nubank said it does not comment on rumours. Monzo: 15.2m customers, revenue £1.7bn and adjusted pre-tax profit £172.6m in the year to 31 Mar 2026 (company annual report).	Reports say no certainty a deal is reached. Our estimate: 6% to 13% dilution to 2027 EPS on the reported terms (see below).	High
Brazilian central bank action on cards and unsecured loans	Pending. Signalled 1-2 Sep 2026 (BCB director of supervision; Financial Stability Committee statement).	BCB says household indebtedness is historically high and it will act on credit cards and non-payroll personal loans "in the coming months", debated in the CMN. Free-market credit defaults reached 6.4% in July, 7.8% for individuals, the highest since the series began in 2011. Tighter risk weights for those lines were reported by Folha on 9 Sep.	Measures and dates not announced. Our estimate: \$1bn-\$2bn of extra capital on an illustrative 25-50 point rise in risk weights.	High
US launch and Nu Global	Launched 10 Sep 2026 (company release, Form 6-K).	US account at 3.50% APY and a no-fee card with 1.5% cash back, through FDIC-insured Lead Bank. Up to 4.50% APY on goals up to \$10,000 with the card. National bank charter conditionally approved by the OCC in Jan 2026; Fed and FDIC processes continue. Nu Global: multi-currency account in 35+ countries using USDC (3.50%) and EURC (2.20%).	Management (Q2 call): US entry to cost no more than 100bp of the efficiency ratio over 12-30 months. CEO: profitability will take "a number of years". Full charter expected 2027 (Banking Dive).	Medium
Investor day	Scheduled, 8 Dec 2026 (company release, 2 Sep).	First-ever investor day, New York, with long-term strategy and value-creation drivers.	A likely venue for a medium-term financial framework, and now for the capital plan if a deal proceeds.	Medium
Awards and rankings	11-23 Sep 2026	Fortune Change the World list, Newsweek most trustworthy, Forbes top banks, Fast Company design award.	None	Low

2a. The reported Monzo talks

What is known. Sky News reported on Saturday 26 September, and Reuters and Bloomberg relayed, that Nubank is in early talks about a possible combination with Monzo that would value it at £8bn to £10bn, likely paid in a mix of cash and stock. Monzo has appointed Morgan Stanley and Qatalyst. Nubank said it does not comment on rumours or speculation. The item is reported, not announced: it rests on unnamed sources, and the reports themselves say a deal may not happen. The report came out after Friday's close, so the \$13.59 close does not reflect it.

Why it matters here. The size. At the midpoint, the price is about \$11.9bn, which is 18% of Nu's \$65.7bn market value and roughly 90% of its book equity of about \$13.3bn at 30 June. Almost all of it would be goodwill against a UK bank with £25.7bn of deposits and 10.4m monthly active customers. Goodwill is deducted from regulatory capital, so a mostly-cash deal would use capital Nu needs for Brazilian loan growth, and possibly for the central bank's rules below. Paying in stock avoids that, but means issuing shares at a price 28% below the twelve-month high. Neither choice is cheap for existing holders.

What success and failure look like. The first hard data would be a company statement confirming or ending talks, then disclosed terms: price, the cash-to-stock mix, the capital ratio after the deal, and management's accretion target. In the longer run, the test is whether Monzo's revenue per active customer (£183 in fiscal 2026) and its subscription base can support Nu's model in Europe against Revolut, which has more scale there.

Input (our assumption unless stated)	Value
Nu 2027 base-case EPS (this note)	\$0.98
Nu shares outstanding (StockAnalysis, Sep 2026)	4.83bn
Price range reported / FX used	£8bn-£10bn at \$1.325 per pound = \$10.6bn-\$13.3bn
Monzo fiscal 2027 net earnings (our range)	£144m-£187m: adjusted pre-tax profit of £172.6m grown 15%-50%, after about 28% UK bank tax
After-tax cost of cash used	3% a year
Issue price for new Nu shares	\$13.59

Sized outcomes (our calculation, computed in code). Half stock and half cash, 2027 EPS falls 6% to 9% across the price range. All stock, the fall is 9% to 13%, with 16% to 20% more shares in issue. At the base-case multiple of 17 times, that takes the base-case value from \$16.66 to roughly \$14.40 to \$15.70. The probability-weighted fair value would fall from \$16.00 to between \$13.86 and \$15.09. A cash-heavy deal would reduce dilution but could not be funded from surplus capital on these numbers. The analysis leaves out cost or revenue synergies because none have been described, and they would have to be large to offset a price of roughly 58 times Monzo's adjusted pre-tax profit.

What the price assumes, and the stakes. The scenarios published on 7 September did not include any acquisition. Friday's close could not include this report. If a deal is confirmed on the reported terms, the earnings effect alone is worth \$1 to \$2 a share at 17 times, and it could cost more if investors also lower the multiple because of the capital use. If talks end, the item goes away and the standalone case returns, as set out in Sections 12 and 13. Under the weak-evidence rule applied throughout this note, an unconfirmed report does not change the scenario probabilities. It does decide timing. No entry range in this note is meant to be used until Nubank confirms or ends the talks.

Unknown, and what settles it. Whether talks are real and advanced, the cash-to-stock mix, the capital plan, and whether Brazilian and UK regulators would approve. A company statement, an exchange filing, or the 8 December investor day will settle it.

2b. Central bank action on credit cards and unsecured loans

What is known. On 1 September Ailton de Aquino, the central bank's director of supervision, said the bank would take "relevant measures" on the most expensive credit lines, meaning credit cards and non-payroll personal loans, in the coming months, and that they would be debated in the National Monetary Council. The Financial Stability Committee's statement of 2 September described household indebtedness as historically high and listed three aims: earlier recognition of risk, gradual capital build-up, and more sustainable credit terms. Folha de S.Paulo reported on 9 September that higher capital risk weights for those lines are under consideration. Free-market credit defaults reached 6.4% in July and 7.8% for individuals, both the highest since the series began in 2011. No measure, date or calibration has been published.

Why it matters here. At 30 June Nu's \$39.4bn credit portfolio was \$26.0bn of credit cards and \$10.3bn of unsecured personal lending, about 92% of the book together. No other listed Brazilian lender has the same concentration in the targeted lines.

Economics (our illustration). Nu's current risk weights by product are not disclosed. As an illustration, raising the risk weight on \$36.3bn of card and unsecured balances by 25 to 50 percentage points, at a total capital requirement of about 11%, would require \$1.0bn to \$2.0bn more capital. That is 7.5% to 15% of book equity. The near-term earnings effect is small, since capital held back still earns the interbank rate. The effect shows up in return on equity, which would fall from about 32% to between 27.5% and 29.5% if earnings stayed the same, and in slower card growth. Both act on the multiple rather than on 2027 EPS. A rule on total-cost disclosure or tighter affordability limits would act on volumes instead. Because it is a system-wide rule, incumbents are affected too, so it does not weaken Nu's competitive position against them.

What would settle it. Publication of a CMN resolution or a central bank consultation with calibration and phase-in dates. Nothing is scheduled. Until then this is a known unknown on the core book, and it is scored under Risk rather than in the earnings estimates.

The US launch, sized. The US launch is the most visible development of the period. Its cost is the smallest. Management said on the second-quarter call that US entry will cost no more than 100 basis points of the efficiency ratio. On our estimate that is about \$65m to \$75m a year after tax, or roughly 1.5 cents of EPS, and it is included in the base case. Revenue is years away. The CEO has said profitability will take "a number of years", and Brazil took eight. The market's reaction, down 2.3% on 11 September, looked more like concern about where the international strategy was heading than about this cost. The Monzo report two weeks later makes that concern concrete.

3. Do the published levels still hold?

The September levels were an accumulation zone of \$13.40 to \$14.20, a structural warning on a sustained close below the 200-day average (then \$14.97) and the \$14.14 base, a thesis-invalidation level of \$11.80, and objectives at \$18.00 and \$21.00. The averages behind them have been recomputed from the same Twelve Data series.

Published level	Basis in September	What happened	Now
Structural warning: below \$14.97, then \$14.14	The 200-day average and the August base	The 200-day average now computes at \$14.80. The shares closed below it from 9 September and below \$14.14 from 16 September. The warning was triggered. Unlike in early September, the index did not move with the stock, so this was not index beta.	Triggered. Resistance is now the 200-day at \$14.80 and the 20- and 50-day averages at \$14.43 and \$14.39.
Accumulation zone \$13.40 - \$14.20	15.6-16.5x 2026 consensus of \$0.86; the \$13.37 pre-results shelf; the 50-day average then at \$14.22	Price entered the zone on 15 September and closed at \$13.59. The intraday low was \$13.365 on 24 September, level with the shelf. Consensus has moved to \$0.89. The zone's second condition, no deterioration in credit, cannot yet be checked at company level, and system-wide defaults for individuals hit a record in July.	Withdrawn. Replaced by a watch zone of \$12.40 - \$13.00, explained in Section 12.
Thesis invalidation below \$11.80	The June low: \$11.20 intraday, \$11.60 close	Recomputed: unchanged at \$11.20 intraday on 3 June and \$11.60 close on 8 June. Now 13% below the market.	Held.
Objectives \$18.00 / \$21.00	18x and 21x a 2027 estimate of \$1.00	The 2027 estimate is now \$0.98 after US entry costs. With the US 10-year at 5.17%, the base multiple is cut to 17x.	Base value \$16.66; bull \$23.00. Objectives are not published for a non-Buy rating.

Catalysts and conditions from the September note.

Item	Status	Detail
US rate decision, 16 September	Occurred	Raised 25bp to 3.75%-4.00%, with one more rise projected for 2026.
Copom, mid-September	Occurred	Cut 25bp to 13.75% on 16 September.
Brazilian first round, 4 October; probable runoff 25 October	Pending	Datafolha 22-23 September: runoff 47% to 45%, within the margin.
Third-quarter results	Pending, date expected	Not yet announced by the company. Mid-November is the usual pattern (second quarter reported 13 August); 12 November is the market's estimate.
Investor day, 8 December	Pending, confirmed	Company release of 2 September.
Buy: price in \$13.40-\$14.20 without credit deterioration	Price condition met, superseded	Superseded by the Monzo report and the central bank's pending rule. Company credit data is not observable before the third-quarter results.
Buy: tax rate confirmed as structural	Pending	Nothing has been disclosed. The second-quarter call did not address it.

Item	Status	Detail
Buy: election concluded with a stable real and the shares under \$16	Pending	Shares are under \$16. The election is not concluded.
Avoid: ETR near 29%, 90+ NPL above 7.3%, risk-adjusted margin below 11%	Pending	All wait for the third-quarter results.
Avoid: weaker real with a stalling consumer	Not triggered	The real is 1.5% weaker at 5.18 per dollar; Brazilian activity is slowing but has not stalled.
Avoid: close below \$11.80	Not triggered	Low close of the period was \$13.56.

4. The variables that decide the next two years

Nu is a deposit-funded consumer lender with a technology cost base. Roughly 41% of gross profit comes from the credit spread, 34% from float on deposits and 25% from fees. The five drivers used since August still apply, and this period adds a sixth: how management uses capital. Before September that was a question about buybacks. With a reported bid for Monzo it has become the most immediate driver of per-share value.

Driver	Why it decides returns	Reading at 27 September
Risk-adjusted net interest margin	A 100bp move on a \$39bn book is about \$390m of gross profit.	12.4% at the half; management expects it to hold "in the same region". Untested until the third quarter.
Brazilian credit cycle and regulation	About 85% of customers; the book is 92% cards and unsecured loans.	System-wide defaults for individuals hit a record 7.8% in July; the central bank is preparing measures on exactly these lines.
Revenue per customer	About \$17 against incumbents at \$40-45.	Unchanged since the half.
Mexico and Colombia	The second engine; the banking licence unlocks payroll deposits.	Licence effective August; payroll portability in preparation. First evidence with the third quarter.
Operating leverage	Proves a technology cost base turns into returns.	Efficiency ratio guided to average about 20% for 2026. US entry is capped at 100bp of that ratio.
Capital allocation (new)	Decides whether earnings growth reaches the share price.	A reported £8bn-£10bn acquisition would take roughly 90% of book equity or 16%-20% more shares.

5. Business, competition and financial position

The operating business has not been re-reported since August. Nu serves 139 million customers, 83.5% of them active each month, at a cost to serve no Latin American incumbent can match. It earns a return on equity above 30% while funding itself with retail deposits at 88% of the interbank rate. The \$39.4bn credit portfolio grew 37% a year at constant currency, against \$45.3bn of deposits. The loan-to-deposit ratio in the high fifties leaves room to grow lending without wholesale funding. Trailing revenue is \$8.44bn and trailing EPS \$0.73. At \$13.59 the shares trade at 18.6 times trailing and 15.3 times 2026 consensus earnings, and at 4.95 times book value per share of \$2.74. That compares with 5.6 times in September. The company pays no dividend and has no buyback.

The caution from earlier notes still applies. Trailing earnings include the second quarter's 14.2% effective tax rate. At the first quarter's 29.1% rate, trailing EPS would be about \$0.69, and our normalised 2026 figure is about \$0.79 against consensus of \$0.89. These adjusted figures are our calculations from the disclosed pre-tax profit and tax expense, not company measures. Mercado Pago, Banorte's digital arm and licensed neobanks are still competing hard for customers in Mexico. In the US, Nu enters a market where Chime, SoFi and the large banks already offer similar yields, and its initial edge is limited to its brand among Hispanic customers and fee-free remittances.

6. Growth drivers

Driver	Status and date	Fact vs forecast	Likelihood	Impact
Mexico payroll deposits under the banking licence	Licence effective Aug 2026; payroll product in preparation	Fact: licence. Forecast (management): payroll to anchor deposits and lending.	Moderate	High over 2 years

Driver	Status and date	Fact vs forecast	Likelihood	Impact
Revenue per customer toward the low \$20s	Ongoing	Fact: \$17 now, mature cohorts mid-\$20s. Forecast: ours.	Moderate	High
US: deposits, card, remittances	Launched 10 Sep 2026; charter expected 2027 (Banking Dive)	Fact: products and pricing. Forecast (CEO): years to profit.	Low near term	Low to 2027; option value beyond
Nu Global multi-currency account	Launched 10 Sep 2026 in 35+ countries	Fact: launch, yields. Forecast: none disclosed.	Unknown	Low
Investor-day financial framework	8 Dec 2026	Fact: date. Forecast: framework content unknown.	High that one is given	Medium, could re-rate either way
Monzo (Europe)	Reported talks, 26 Sep 2026	Reported only; terms unknown.	Unknown	Negative per share near term on reported terms

7. Risks

Risk	Probability	Severity	Comment
A large, dilutive acquisition of Monzo	Unknown; talks reported as early-stage	High	6%-13% dilution to 2027 EPS on reported terms (our estimate), plus the capital used and the risk of executing in a third continent.
Central bank rules on cards and unsecured loans	High that some measure arrives; calibration unknown	High	92% of the book is in the targeted lines. Illustratively \$1bn-\$2bn of extra capital and a lower return on equity.
The 14.2% effective tax rate proves one-off	Unresolved	High	Worth about 20% of forward earnings. Can be answered at the third quarter or on 8 December.
Election outcome unsettles Brazilian assets	Runoff likely; outcome a coin toss	High	Roughly 85% of customers are Brazilian; the real moves first.
Credit deteriorates as the book moves up the risk curve	Moderate, rising	High	90+ day NPL 6.9% at the half; system-wide defaults for individuals at a record.
Higher US rates compress the multiple	Occurred; one more hike projected	Moderate	10-year at 5.17%. Acts on the cost of equity and the real together.
Competitive erosion in Mexico	Moderate	Moderate	Mercado Pago and licensed neobanks target the same customers.
Multiple compression toward EM bank levels	Moderate	High	At 4.95x book, the premium to Itau (about 1.9x) depends on a 30%-plus return on equity continuing.

These risks are more numerous and more pending than they were in September. The Risk score of 3 out of 10, where 10 is the lowest risk, reflects that.

8. Valuation

Method	Input	Implied value	Comment
Forward P/E, 2026	Consensus \$0.89 at 16-19x	\$14.24 - \$16.91	Consensus includes the second quarter's low tax rate. On the normalised \$0.79, the same multiples give \$12.64 - \$15.01.
Forward P/E, 2027	Our estimate \$0.98 at 15-20x	\$14.70 - \$19.60	The main anchor. The base case is 17x, one point below September because the US 10-year is 39bp higher and a central bank rule is pending.
Price to book	\$2.74 BVPS at 4.0-6.0x	\$10.96 - \$16.44	Very sensitive to return on equity. The central bank rule and any acquisition goodwill both work against it.
Peer relative	Itau about 9x earnings, 1.9x book	Premium warranted	Growth and return on equity justify a premium. How large a premium is the question.

Method	Input	Implied value	Comment
Analyst consensus	22 analysts, mean \$18.69	\$12.00 - \$23.00	Mean slightly lower. Itau BBA's 2027 profit estimate is 15% below consensus.
Monzo overlay	Reported terms, our sizing	-\$0.91 to -\$2.14 on weighted value	Shown separately; not in the standalone fair value.

Conclusion: modestly undervalued on a standalone basis, fairly valued if the reported deal goes ahead. The standalone probability-weighted value is \$16.00, 17.8% above \$13.59. In September the gap was 14.9%. The price fell 11.6% while fair value fell 9.4%, so the discount widened a little. If the Monzo terms are agreed as reported, weighted value falls to \$13.86 to \$15.09, an upside of 2% to 11%, which is too small for a business with this many pending binary events.

Macro drivers. Two variables drive this business, and a third comes from outside. The first is the Brazilian policy rate, which works both ways. The Selic is 13.75% after a quarter-point cut on 16 September. Easing supports loan demand and borrower affordability, but it compresses the float income behind about a third of gross profit. With inflation expectations near 4.9% for 2026, easing will be slow. The second is Brazilian household credit quality, which now carries a regulatory channel as well as the credit-loss one. Defaults for individuals reached a record 7.8% in July, and the central bank is responding with rules aimed at the product lines Nu is concentrated in. The third is the US risk-free rate. The Federal Reserve raised rates on 16 September and projected another rise, and the 10-year Treasury reached 5.17%, its highest since 2007. That raises the cost of equity applied to Brazilian earnings, and it adds to pressure on the real, which weakened to 5.18 per dollar.

9. Sentiment and positioning

Indicator	Reading	Interpretation
Analyst consensus	Buy; mean target \$18.69 across 22 analysts (13 Strong Buy, 5 Buy, 3 Hold, 1 Sell), range \$12-\$23	Still constructive, and the mean has barely moved. The range has narrowed at the bottom.
Revisions in the period	Itau BBA to Market Perform, \$18 (end-2027) from \$20, on 16 Sep; Needham Buy \$19 reiterated 11 Sep; Goldman Sachs Buy \$23 maintained 24 Sep	The first downgrade of the period, from a Brazilian house. It cited early US costs, weaker Brazilian stimulus, central bank concern about high-cost credit, and payroll-loan policy.
Insider transactions	The August cluster (\$5.63m over ninety days, including a co-founder at \$14.71) is the most recent notable selling identified	No new Rule 144 notices appeared in the September news and notice feeds.
Options positioning	Open interest 1.56m-2.04m contracts; Cboe sentiment mixed	Hedging into the election; not directional.
moomoo digest	Neutral to slightly bearish: the Itau downgrade and US launch cost worries against Goldman and Needham reiterations	Consistent with the raw feed once company-name queries remove another issuer that shares the ticker.

Institutional positioning: Mixed (as of 30 June 2026, filings through 19 August 2026; moderate confidence). Active managers made a small net reduction over four quarters, about 2.3% of reported shares, and almost all of it came from one large holder. Two other long-standing holders also cut, partly offset by one sizeable addition. The latest quarter was a small net addition, with slightly more managers adding than cutting. The balance leans cautious, which fits waiting. The positioning predates the September news. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure.

10. Technical picture

Indicators are computed in code from 300 completed daily sessions through 25 September 2026, all from one split-adjusted series. Distances are measured against the \$13.59 price of record.

Indicator	Value	Signal	Reading
SMA 20 / EMA 20	\$14.43 / \$14.19	Bearish	Price 5.8% and 4.3% below
SMA 50 / EMA 50	\$14.39 / \$14.22	Bearish	Price 5.5% and 4.4% below

Indicator	Value	Signal	Reading
SMA 100	\$13.68	Neutral	Price 0.6% below, sitting on the average
SMA 200 / EMA 200	\$14.80 / \$14.44	Bearish	Price 8.2% below the 200-day, which is recomputed from \$14.97
RSI (14)	40.0	Weak, not oversold	Room to fall before exhaustion
MACD (12,26,9)	-0.23 / signal -0.10 / hist -0.14	Bearish	Below signal and below zero; was +0.31 in September
ATR (14)	\$0.50, 3.7% of price	Elevated	Size positions for daily ranges of about 4%
Volume, 20d vs 50d	69.9m vs 74.3m	Neutral	The decline came on normal volume, not a washout
Support	\$13.37 / \$13.09 - \$13.30 / \$12.23 - \$12.46	-	August pre-results shelf; July lows; late-June base
Resistance	\$14.39 - \$14.43, then \$14.80	-	The 20 and 50-day averages, then the 200-day

The picture has reversed since September. The shares have given up the 200-day average they had just reclaimed, all but the 100-day average sit above the price, and MACD has turned negative. The one positive is that \$13.37, the level the August results launched from, held on a closing basis through 25 September. If it breaks, the next shelf is the July lows around \$13.10 to \$13.30 and then the late-June base near \$12.25 to \$12.45. That base falls inside the new watch zone.

11. Scorecard

Factor	Sep	Now	Score bar	Wt	Basis
Business Quality	8	8/10		15	139m customers, 83.5% active, lowest cost to serve in the region. No new operating data.
Financial Strength	7	7/10		12	Held. 32% return on equity and cheap deposits today. The central bank rule and a possible deal are pending risks and are scored under Risk.
Competitive Advantage	8	8/10		15	Held. A system-wide rule does not weaken Nu against incumbents.
Management	7	7/10		10	Held. US entry costs are capped and transparent. The Monzo report is unconfirmed and does not move the score on its own.
Growth Potential	8	8/10		15	Held. The US launch adds optionality at small cost; a central bank rule could slow card growth.
Valuation	5	6/10		15	Raised one notch. Price -11.6% against fair value -9.4%; standalone upside 17.8% from 14.9%; 15.3x current-year consensus.
Risk (10 = lowest risk)	4	3/10		13	Lowered one notch. A pending central bank rule on 92% of the book, a reported deal of about 90% of book equity, a realised US rate rise and a tied runoff.
Technical Setup	7	4/10		5	Lowered three notches. Lost the 200-day and the \$14.14 base; MACD negative; RSI 40.
Investment Score	68	66		100	Weighted sum of the eight factors, computed in code. Out of 100.

Scored 1-10, where 10 is always best, including Risk. A longer bar always means a better score, so on the Risk row a long bar means a safer business. The weights sum to 100 and the total is a simple weighted sum. The September note used the same scale and labels, so its scores compare directly and no restatement was needed. Two developments moved scores. The central bank rule moved Risk. The Monzo report added to Risk but, being unconfirmed, moved nothing else. The composite fell two points, from 68 to 66.

12. Recommendation

Rating: Watchlist, unchanged, on different grounds. In September the rating rested on two open questions and a price that had moved away from the entry zone. Now the price has entered that zone and the case looks cheaper. Without the Monzo report, that would have been enough for a small upgrade, a starter position being defensible at \$13.59 with 17.8% standalone upside and invalidation 13% below. The Monzo report is what holds the rating at Watchlist. A reported acquisition worth nearly all of book equity, not yet reflected in the price and likely to dilute EPS by 6% to 13% on

the reported terms, is not something to buy ahead of. The central bank's pending rule adds to the reasons for waiting but would not have been enough to hold the rating on its own.

Level	Price	What it represents
Watch zone	\$12.40 - \$13.00	Where the name becomes interesting even with the pending items. At 14.0-14.6x 2026 consensus of \$0.89 it gives \$12.46-\$12.99. At 16x our normalised 2026 EPS of about \$0.80 it gives \$12.80. \$12.80 is also the price at which the standalone weighted fair value of \$16.00 offers 25% upside. The late-June base at \$12.23-\$12.46 is at the bottom of the zone.
Watch price	\$12.80	The midpoint of those anchors, and the level carried on the trade-levels sheet.
Alternative route	At or below \$14.20	If Nubank confirms the Monzo talks have ended, or discloses terms that dilute 2027 EPS by 5% or less, the September zone applies again, with the shares at or below \$14.20.
Resistance to reclaim	\$14.80	The recomputed 200-day average. A sustained close above it would show the September decline has been absorbed.
Thesis invalidation	Below \$11.80	Unchanged. The June low is \$11.20 intraday and \$11.60 on a closing basis.

What would change the view

Trigger	Direction
Nubank confirms Monzo talks have ended, with the shares at or below \$14.20	Toward Buy
Disclosed Monzo terms that dilute 2027 EPS by 5% or less and keep capital ratios intact, set out by 8 December	Toward Buy
Price reaching \$12.40 - \$13.00 with third-quarter credit metrics stable	Toward Buy
Management shows the lower tax rate is structural, at the third quarter (expected mid-November) or on 8 December	Toward Buy
A confirmed Monzo deal on the reported terms, mostly paid in stock	Toward Avoid
Central bank risk weights on cards and unsecured loans that force a slowdown in lending or an equity raise	Toward Avoid
A third-quarter effective tax rate back near 29% with no explanation, 90+ day NPL above 7.3%, or risk-adjusted margin below 11%	Toward Avoid
A sustained weakening of the real with a stalling Brazilian consumer after the election	Toward Avoid
A close below \$11.80	Thesis invalidation
A starter position of no more than 1% of portfolio value would suit an investor who wants exposure before the Monzo question is answered. Any gap on Monday's open, in either direction, belongs to the reported deal, not to the operating business.	

13. Scenario analysis

Scenario	Prob.	Revenue and earnings outlook	2027 EPS	Multiple	Fair value
Bull	25%	Monzo talks end or terms prove small and accretive. Central bank measures are light or phased. Risk-adjusted margin holds above 12%, the lower tax rate proves structural, Mexican payroll gains traction and the election leaves the real steady. Revenue compounds in the mid-20s.	\$1.15	20x	\$23.00
Base	50%	No acquisition, or a small one. Central bank measures add some capital cost and slow card growth, but earnings hold up. The tax rate part-normalises and Brazil grows in the high teens. US entry costs are included, at about 1.5 cents of EPS. Revenue compounds near 20%.	\$0.98	17x	\$16.66
Bear	25%	A tight central bank rule arrives while household credit is weakening. 90+ day NPL pass 7.5% and the tax rate returns to 29%. The runoff unsettles the real, and US yields stay above 5%. Growth slows to the low teens.	\$0.70	11x	\$7.70

Scenario	Prob.	Revenue and earnings outlook	2027 EPS	Multiple	Fair value
Weighted	100%	Probability-weighted, standalone, against the \$13.59 close of 25 September			\$16.00
Monzo overlay	-	If the reported terms were agreed: EPS 6%-13% lower in every case (our calculation)			\$13.86 - \$15.09

Probabilities sum to 100%. The standalone weighted value of \$16.00, 17.8% above \$13.59, was computed in code from the inputs shown. The 2027 EPS figures are this note's estimates, not company guidance. Changes from September: 2027 base EPS is lowered by two cents for US entry costs and rounding, and the base multiple by one point for higher US yields and the pending central bank rule. Three points of probability move from bull to bear for the central bank rule, and the bear multiple drops from 12x to 11x. None of the three cases includes the reported acquisition, because it is unconfirmed. It is shown instead as an overlay on all three.

14. Final verdict

Would an investor put their own money into Nu Holdings at \$13.59 today? Not before Monday, and probably not before Nubank says what it is doing about Monzo.

The business case is intact and cheaper than it has been since the summer. A 139-million-customer franchise earning a return on equity above 30% trades at 15.3 times this year's consensus. The standalone probability-weighted value is \$16.00, and the price has fallen into the zone set three weeks ago as a reason to buy. The index barely moved while this happened. The fall reflects what the market learned about Nu: an international strategy that costs money now, a Brazilian broker downgrade, and a central bank preparing rules for the two products that make up 92% of the loan book.

The reason for waiting is capital allocation. A reported £8bn to £10bn bid for Monzo is the development that decides this rating. At that price Nu would give up roughly 90% of its book equity, or issue 16% to 20% more shares at a depressed price, for a UK bank whose adjusted pre-tax profit covers less than 2% of the purchase price a year. On our numbers it would dilute 2027 EPS by 6% to 13%. It might still be the right long-term strategy, but at \$13.59 the buyer bears that cost without being paid for it, and the question could be answered within days.

The single biggest concern has changed. In September it was the tax rate. Now it is what management does with the capital a 30% return on equity generates. A clear answer, meaning talks ended or modest terms, would bring back the September Buy condition at or below \$14.20. Without one, the name becomes interesting at \$12.40 to \$13.00, where even the diluted case offers adequate upside, provided third-quarter credit numbers hold.

15. Sources and basis of preparation

The closing price of record, \$13.59 as at 25 September 2026, is from Alpha Vantage. The technical section uses 300 completed daily sessions from Twelve Data through the same date, split-adjusted and from one source, with every indicator computed in code. Market capitalisation, multiples, trailing figures, share count and analyst consensus are from StockAnalysis.com as at 27 September 2026. Company facts come from Nu Holdings' releases of 2 and 10 September 2026 and the Form 6-K of 10 September, its second-quarter 2026 results of 13 August 2026, and its second-quarter earnings call (transcripts via The Motley Fool and Investing.com). Monzo figures are from Monzo's 2026 annual report and RTE's coverage of it. The acquisition talks are from Sky News as relayed by Reuters, Bloomberg, Investing.com and City A.M., 26 September 2026. Central bank statements are from coverage of the Financial Stability Committee statement of 2 September and remarks of 1 September (O Tempo, Forbes Brasil, Jornal de Brasilia citing Folha de S.Paulo). The Copom decision is from 16 September 2026. The Itau BBA downgrade is from Reuters via TradingView and Seu Dinheiro, 16 September. Polling is Datafolha, 22-23 September, via Al Jazeera. Brazilian market levels are from Exame, 25 September. US data are from this publication's economic coverage of 11 to 25 September 2026. News, notices and broker research were retrieved through both the moomoo news search and the moomoo stock digest.

Figures identified as this note's calculations are derived from the disclosed inputs shown alongside them and are not company-reported measures. These are the normalised earnings, the 2027 estimates, the Monzo dilution range, the capital illustration for the central bank rule and the probability-weighted values. No third-quarter results have been published.

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Forward-looking statements, scenario probabilities and price levels are estimates and may prove materially wrong. Reported but unconfirmed transactions may not occur, or may occur on different terms. Nu Holdings is an emerging-market financial institution whose shares carry currency, credit, political and regulatory risks that can cause permanent loss of capital. Readers should conduct their own research and consult a licensed professional before making any investment decision. Prices and data are as at 25 September 2026 and will change.