



BANCO
MASTER

FINANCIAL STATEMENTS

DECEMBER 31, 2023

(A FREE TRANSLATION OF THE ORIGINAL REPORT IN PORTUGUESE AS PUBLISHED IN BRAZIL CONTAINING FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ACCOUNTING PRACTICES ADOPTED IN BRAZIL APPLICABLE TO INSTITUTIONS AUTHORIZED TO OPERATE BY THE CENTRAL BANK OF BRAZIL)



MANAGEMENT REPORT

We present the report of the Executive Board of Banco Master S/A ("Bank" or "Master"), in accordance with the applicable legal and statutory provisions, together with the financial statements as of December 31, 2023, together with the independent auditors' report on these financial statements.

Market Information

The master file at year-end 2023 shows financial statements with sustained growth in results and capitalization. The Master has kept its net worth of R\$2.38 billion in recent years.

Equity growth and consistent results are goals set by our strategic plan. All employees, managers and shareholders made it possible only to increase the master level as from July 23. Therefore, we started to have the position of S3 in BACEN's position.

The MASTER brand in 2023 made two years of its launch and remains on the rise and in line with the growth reported by the company. Top management and shareholders, in line with the Bank's growth in assets, have an institutional policy for their employees according to the same growth guidelines. Therefore, the Master course was certified in 2023, entering its first year of assessment highlighting the highlights of the best companies to work for in Brazil. It is applied by the global consulting firm "Great Place to Work".

New Investments and Acquisitions

In order to expand activities and ensure sustainable growth and consolidate the Master's position in the market, we are acquiring two institutions, Will Bank (CFI) and Banco Voiter, which have already consolidated positions. Both acquisitions are very strategic for the Master, generating asset, financial, synergy and market benefits. We are waiting for BACEN's approval to complete the acquisitions.

In addition to these ongoing acquisitions, the master internationalization project remains active, and we keep the project for opening the Broker Dealer in the United States.

Lines of Business and Portfolio of Products and Services

The Master offers a full banking platform to its clients and business partners. Presenting ourselves with all lines of business receivable, we highlight the evolution of loan portfolios (payroll loan, corporate and real estate portfolios) and financial services. With respect to capital market transactions, Master Corretora resumed 100% of its activities and is qualified to have the certifications required for its activities. In 2023 Banco Master de Investimento completed the proper operational implementations and will pull up its operations in 2024.

We maintain a position in the securitized market by holding interest directly in subsidiary KOVRPAR, which controls its capital. KOVRPAR is the exclusive holding company for participation in the insurance, pension plan and capitalization industry through KOVR Seguradora S/A, KOVR Previdência S/A and KOVR Capitalização S/A.

For a better understanding of the results presented in our financial statements, we will summarize the behavior of the Master's products and services.



RETAIL

We continue to expand our payroll loan portfolio, particularly the expansion made from our base originating from our payroll benefit cards, called Credcesta. We have expanded this product at the federal level (INSS) and maintained the regional expansion project in states and municipalities. Credcesta is present in Brazil's main cities and states, among which São Paulo, Rio de Janeiro, Minas Gerais, Bahia and the others. It is consolidated in 23 states and 135 municipalities.

Our product distribution is digital, and it is possible to open an account, have access to credit agreements and other products and services through our digital platforms of Credcesta and Banco Master. We also have, in line with other digital products, partnering with fintech companies, such as Jeitto, which grants credit in a digital manner, and reached 4.3 million users in 2023.

The retail credit segment includes the Master as a significant agent in the markets where it operates. The purpose is to help people who have no credit access through fast and accessible credit in Brazil's largest regions.

CORPORATE AND STRUCTURED TRANSACTIONS

In 2023, the Bank reported growth in structured corporate transactions, a track of products that are part of capital market transactions to boost revenues for Banco de Investimento. As a means of doing so, we maintain our operations in the retail of clothing, tourism, education, manufacturing and healthcare industries.

In addition to these transactions, we again identified opportunities in structured real estate transactions. These transactions have generated interest income under the credits granted and additional revenues from structuring and intermediation services.

The transactions described before are recognized directly in the Company's own credit portfolio. We have transactions with the same purpose carried out through FIDCs (Receivables Investment Funds) that are strategically used as vehicles for each transaction. These transactions are consolidated in the Bank's prudential conglomerate.

We can highlight additional revenues in this segment, given that in addition to carrying out its operations, the Master earned some revenues from services provided to these clients, such as Metalfrio and Befly.

The business model has been proving to be successful. Our corporate credit efforts are relevant to the management of companies, which has generated more results for clients and for the Bank.

Considering the recent crises and the potential of many companies in several industries in Brazil, we remain confident that this credit and business model will increase over the next years.

FINANCIAL SERVICES

We have a bold plan for expanding revenues from financial services, fiduciary management, brokerage, placement, distribution, structuring and other financial activity services. These revenues will be present in 2024, with the plan for integrating and starting the activities of DTVMs (Trustee DTVM and CM Capital DTVM), and Assets (MAM Asset and Macam Asset), which are in progress, also highlighting the start of Banco de Investimento's activities. When the corporate process of joining the other companies below Banco de Investimento is completed, the Master will include a major increase in services in its balance sheet, transactions that already generate results.



Although the foreign exchange department's results are still lower than the previous year, we have already noticed an improvement in results. The corporate trading desk has been reporting a growth rate in its operations. In retail transactions, we are starting to increase the production created by the partnership with the new fintech company (Blue Transfer), which replaced the previous online remittance that generated a representative volume of transactions for individuals.

Strategic and Capitalization Plan

Realizations and Expectations

The Master program shows the same consistent growth in 2023 that has been achieved over the past years. The results reported by the audit team are in line with the strategic plan formulated for the Bank, which relies on its collaborators' decisive commitment to obtain it. Planning is based on recurring results from the viewpoint of its portfolios, active services and capitalization of its shareholders.

The Bank has profit of R\$532 million (R\$211 million – 2022) and equity of R\$2,382 million (R\$1,566 million – 2022). We highlight the increase in interest income of R\$5,452 million (R\$2,780 million - 2022), which has significantly contributed to boost the Bank's performance. Our results show the quality of the portfolio of products, and our continued growth in retail, corporate, structured transactions and services, which have significantly helped the Company to increase revenues.

The strategy to increase the portfolio of credit, focuses on the quality of those assets, and this fact can be confirmed, and even though the loan portfolio has expanded sharply, the impairment loss ratio remained at proper levels. With respect to the corporate portfolio, given that we have operational control and presence with the management of the companies that are clients, we are able to control transactions more precisely, therefore preventing the increase in the impairment loss on trade receivables.

The Master's program in 2023 continued its virtuous cycle of sustainable growth, which shows the market that we are an institution that is doing something innovative and playing a good role in the market.

The achievement of consistent results that can also generate new recurring revenues, in compliance with the strategic plan developed by management and in line with the desires of the Bank's employees.

Increase in capital and capitalization plan

In May 23, BACEN approved the capitalization of R\$400 million made in 2022. In 2023, shareholders decided to increase capital by R\$500 million, of which R\$292 million, was made by shareholders in the same year. R\$198 million was waiting for capitalization, which will be paid in in the first half of 24 months.

In the next years of 2024 and 2025 shareholders intend to make about R\$900 million more in capitalization, together with the results estimated for the same years, so that we can implement the strategic plan to set the Master at a significant level in the scenario of Brazilian banks. The goal is to increase the Master's equity to R\$5 billion.



Corporate Governance and Risk Management

Shareholders, Top Management and the Master's Operational Management Body are committed to excellence in risk control and governance processes in line with market best practices. Accordingly, we maintain our activities consisting of implementing improvements in internal control, compliance, risk, governance and technology processes.

Management's commitment to continue improving operations is directly related to governance and technology, regardless of what we have already achieved, so as to be ready for sustainable growth intended for the next years, even though there are major global economic challenges.

In order to ensure market risk, credit risk, operational risk and liquidity risk, all transactions are monitored according to the limits set by the Risk Management Committee. This process is also reinforced by regular internal audits. The security framework is supplemented by Compliance and Operational Risk, whose purpose is to ensure compliance of all practices with the regulatory standards and requirements of Brazilian authorities and alignment with the Basel Accord, in addition to compliance with the best corporate governance policies.

The Master program has been developed according to the best risk management practices, policies, systems and internal controls to mitigate and control possible losses arising from the exposure of the risks to which the Company's activities are exposed, with a set of processes and routines adapted to its operational types.

In August 2023 the Master set up a strategic advisory board made up of the Bank's shareholders and managers and significant independent personalities in the local market.

Economic Scenario

Brazil grew by 2.9% in 2023. The main factor of such growth was crop and livestock farming and the increase in exports from these facilities. The service and investment industries of infrastructure companies remain under growth difficulties, given that the high interest rates have a direct influence on these activities.

The IPCA in 2023 was 4.62%, above the target for the year of 3.25%, but slowdown, and with a 3.77% forecast for 2024, according to bulletin Focus. Considering the improvement in inflation expected, the Central Bank of Brazil started to cut interest rates in the second half of 2023. However, SELIC (Central Bank overnight rate) closed 2023 at 11.75% p.a., decided on at the meeting held in December 2023. Copom's press release after the meeting said that the pace of cuts by 0.5 p.p. is the most adequate for the next meetings.

Projections for 2024 suggest a better year, with the continued reduction in interest rates and inflation rates. SELIC is expected to close the year at around 9.00% p.a., and a stable exchange rate, between R\$4.90 and R\$5.00 per US dollar. In the external scenario, global growth remains resilient, with signs of faster de-inflation, which will lead to a cut in interest rates earlier than expected by the U.S. Central Bank and the European Central Bank.

The start of the monetary loosening cycle by the FED and the ECB should favor emerging economies, leading to greater growth in 2024 and 2025, with the recovery of commodity prices and economic activity.

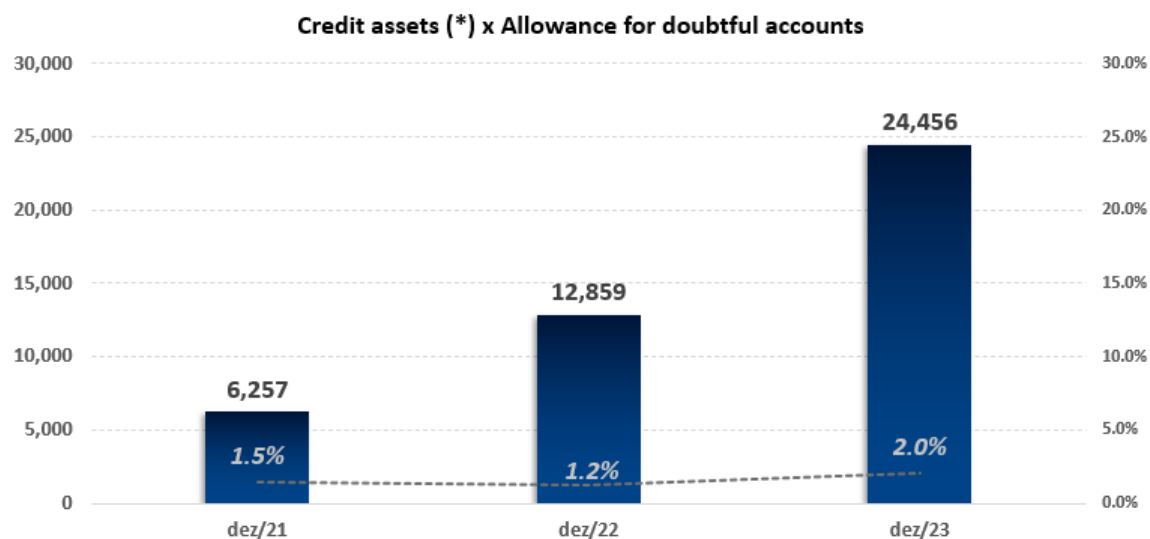
Performance of Activities

The Master program remains focused on keeping sustainable growth so that it is possible. 2023's results are linked to the following pillars: 1) Capitalization; 2) Growth in sustainable assets, generating progressive results; 3) Subsidiary's impairment loss on receivables; 4) Extending the funding portfolio; 5) Growth in recurring financial intermediation; 6) Growth in service revenue.

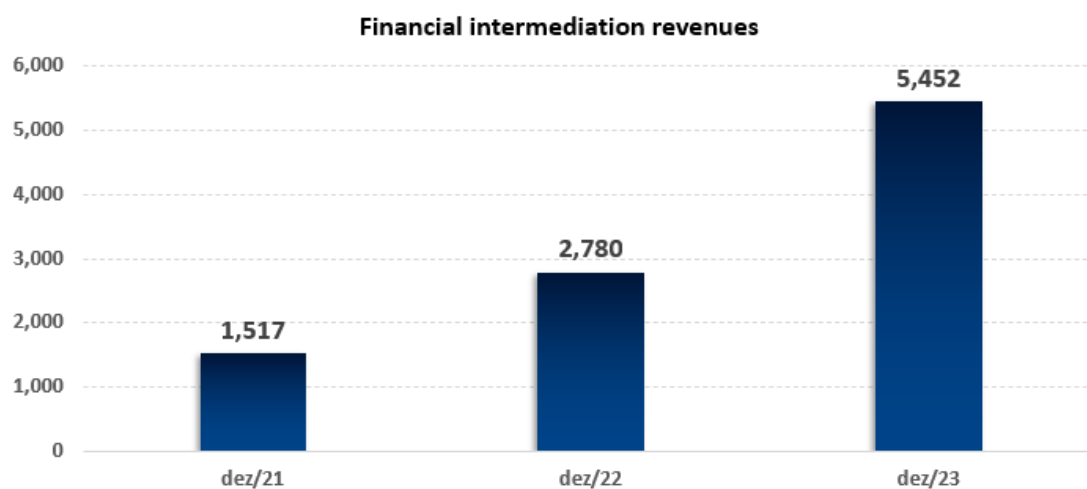
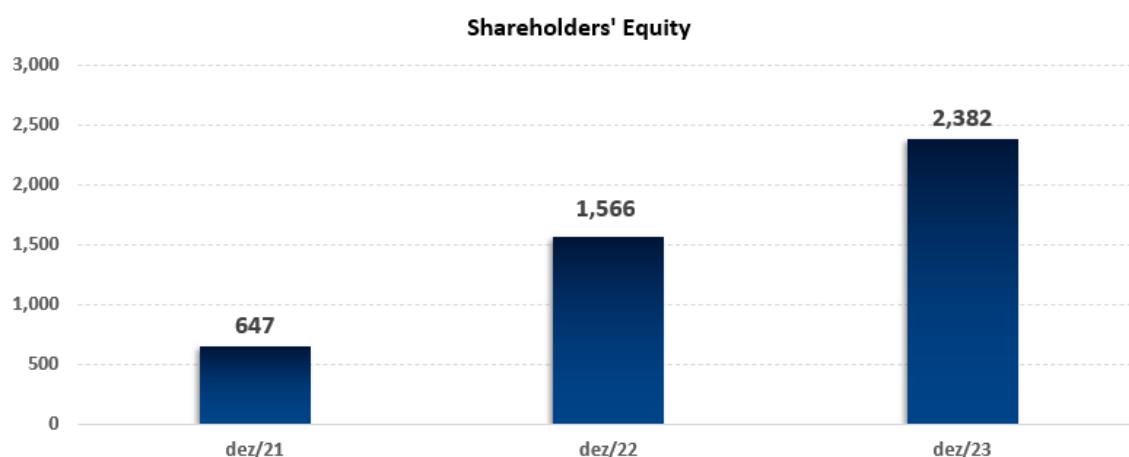


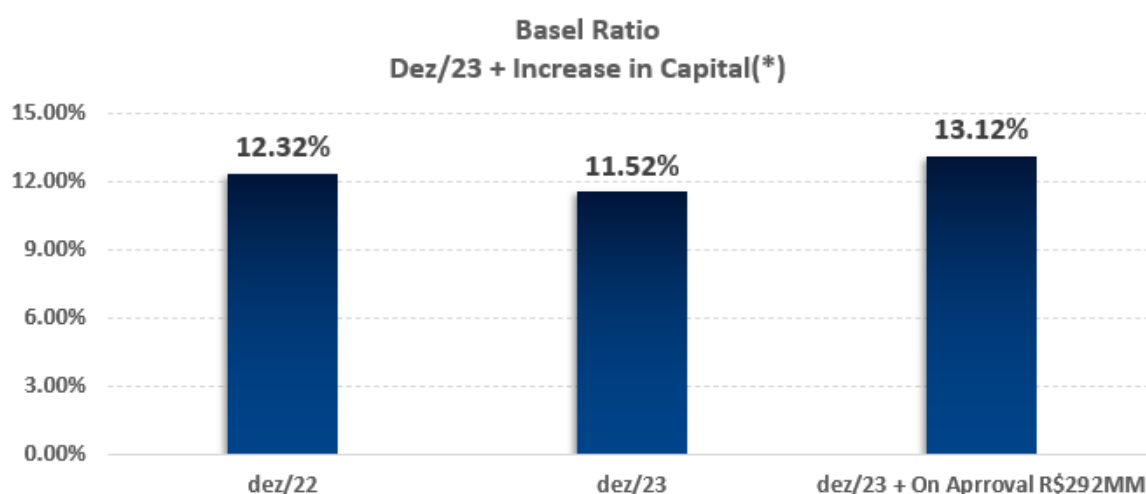
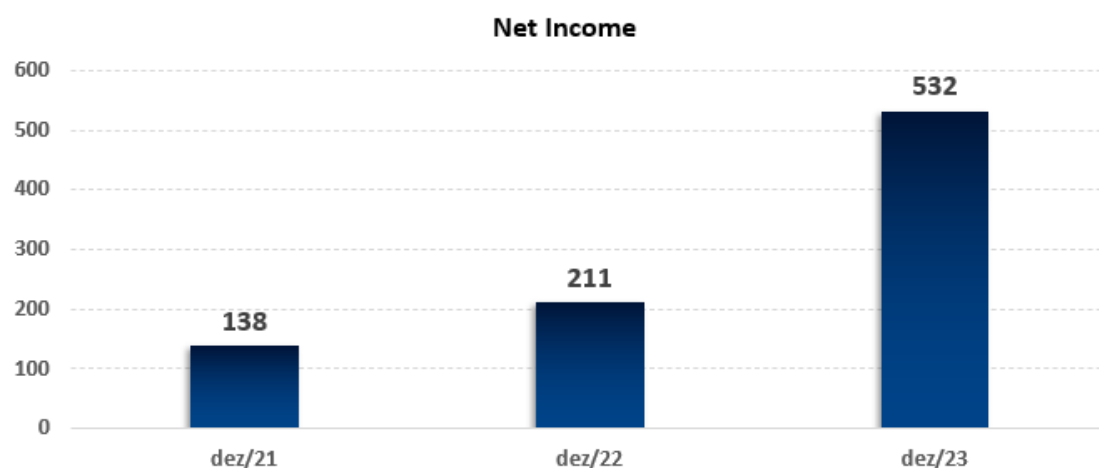
Bank's Performance

We present them in a graphical manner and we explain below the main indicators that show the Bank's positive performance. For a better understanding, in order to support the Bank's consistent growth, we opted to make a comparison of three years. The graphs show amounts in millions of Reais:



(*) Refers to the loan portfolio and investment funds.





(*) Capital under approval by BACEN.

The Bank's financial statements show results that comply with the projections set forth on its business plan. Profit for the year of R\$532 million – 2023 (R\$211 million – 2022), is an increase of 152.24% over the previous year, which shows a consistent and assertive growth in our forecasts.

In 2023, the good performance of the results reported by the Company is related to the lines of business that the Master remains in full expansion. As explained before, we highlight the quality of the credit portfolios, whether they are directly at the Bank and through FIDC vehicles. Moreover, over the year we have sharply increased corporate credit revenues, and interest income gives us additional service revenues.

The foreign exchange department has been restructured and in 2023 we have been able to observe an improvement in its performance, showing good expectations for the future.

In 2013 we obtained a significant share of profit (loss) of equity-accounted investees, which is directly related to the structure of acquisitions of institutions that were made.

Below are the highlights for kpmg's excellent performance in 2023. Increase in credit income by R\$2,707 million – 2023 (R\$1,688 million – 2022), up 60.38%, result from securities transactions in the amount of R\$60.38%. 1,665 million – 2023 (R\$787 million – 2022), up 111.52%, these mainly have an impact mainly by receivables investment funds - FIDC and FIM, used as a vehicle for corporate credits and structured transactions to gain operational efficiency. Significant gains (losses) on the sale or transfer of financial assets are the assignments of loan portfolios which have contributed to R\$840 million – 2023 (R\$200 million – 2022).

The credit asset graph includes the Master Bank's consolidated position, including the portfolios of FIDCs, which are consolidated in our prudential balance sheet. Credit assets are divided into the retail, corporate, receivables and certificates of credit portfolio. The latter are mostly active and pose a federal government risk and represent an punctual strategy implemented by banco Master over the past years. Banco Master does not expect this asset line to grow over the next years.

The increase in the loan portfolio caused an increase in the expenses on loan provisions of R\$390 million – 2023 (R\$119 million - 2022). However, when we analyzed the amount of provisions accrued in the financial statements they are in line with the rates when compared with market rates, and when we found all the credit assets held by the Bank, they were matched to total credit assets, a rate of 2.00% - 2023 (1.20% - 2022).

When we analyzed the increase in expenses, we highlighted personnel and administrative expenses of R\$1,220 million – 2023 (R\$950 million - 2021), up 28.34%, the increase is directly related to the implementation of new products and to the growth of employees, technology investments and service providers.

Basel

The Master duly falls into its operational limits according to the Basel capital ratio of 11.52% - 2023 (12.32% - 2022), and a tier 1 capital + tier 2 capital compatible with the capacity of its assets.

In order to show our capacity to leverage the Bank, we present the Basel capital ratio forecast with the capital realized by shareholders by the date of publication, in the amount of R\$292 million, which considering the RWA of December 2023, and a 13.12% increase.

Conclusion

In 2023, the Master maintains the growth curve of its businesses in a sustainable manner, showing over the years that the Bank has been agreeing with its lines of business and promoting the growth of healthy and profitable assets. Strong growth is achieved in its four main lines of business (retail, structured corporate, services and results from its subsidiaries). The consequence is the increase in its activities, the maintenance of doubtful accounts levels and a consistent statement of profit or loss.

The Master has played an increasingly more important role in the Brazilian market, taking credit to individuals and legal entities with different structure and distribution methods. He has taken part in business restructurings, business recovery of companies, restructuring of companies' capital structure, improvement in credit structure and financial health of people and companies. Therefore, The Company has reported sustainable results and good profitability, and achieved a ROE of 29.10% (21.96% - 2022).

A DIRETORIA

Angelo Antonio Ribeiro da Silva - Contador
CRC-RJ-081.990/O-2





KPMG Auditores Independentes Ltda.

Rua Arquiteto Olavo Redig de Campos, 105, 12º floor - Tower A

Mailbox 79518 - CEP 04707-970 - São Paulo/SP – Brazil

Phone 55 (11) 3940-1500

kpmg.com.br

Independent Auditor's report on financial statements

To the Shareholders and Directors of the

Banco Master S.A.

São Paulo - SP

Opinion

We have audited the financial statements of Banco Master S.A. ("Bank"), which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period and year ended December 31, 2023, as well as the related explanatory notes, including a summary of the significant accounting policies.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Banco Master S.A. as of December 31, 2023, and its financial performance and its cash flows for the six-month period and year ended December 31, 2023, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil ("Bacen").

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities, under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Bank in accordance with the relevant ethical requirements included in the Accountant's Professional Ethic Code and the Professional Standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information accompanying the financial statements and the auditors' report

Bank's Management is responsible for the other information. the other information comprises the Management report.

Our opinion on the financial statements does not cover the Management report and we do not express any form of audit conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management report and, in doing so, consider whether the other information is materially inconsistent with the financial statements and our knowledge obtained in the audit, or otherwise appears to be materially misstatement. If, based on the work we have performed, we conclude that there is a material misstatement of this

Management report, we are required to report that fact. We have nothing to report on this regard.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil - BACEN and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting the financial statements unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on auditing will always detect material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit performed in accordance with the Brazilian and International standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve the override of internal control, collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, consequently, for the audit opinion.

We communicate with Bank regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, March 28, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP027685/O-6 'F' SP

(Original report in Portuguese signed by)

Fernando Antonio Rodrigues Alfredo
Contador CRC 1SP252419/O-0

ASSETS	Note	2023	2022
CASH EQUIVALENTS	5.	179,034	178,141
FINANCIAL INSTRUMENTS		32,584,885	17,534,085
INTERBANK INVESTMENTS	6.	601,002	823,190
Money market reverse repurchase agreements		-	450,670
Interbank deposits		559,856	372,520
Foreign-currency investments		41,146	-
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS		14,654,634	7,053,883
Securities	7. a	14,452,294	6,996,526
Derivative financial instruments	7. c	202,340	57,357
INTERBANK ACCOUNTS		1,700,342	6,940
Payments and receipts to be settled		19,460	2,558
Compulsory deposits with the Central Bank of Brazil		1,680,882	4,382
LOAN OPERATIONS		15,628,907	9,650,072
Loan	8. a	8,305,299	3,680,392
Assigned Loans subject to assignment	8. a	455	1,078
Other receivables	8. a	7,818,276	6,126,508
(-) Provisions for expected losses associated with credit risk	8. c	(495,123)	(157,906)
TAX ASSETS		488,492	246,941
Current tax assets	14. a	117,555	23,268
Deferred tax assets	14. a	370,937	223,673
OTHER ASSETS		2,122,965	2,178,479
OTHER RECEIVABLES		1,657,462	1,676,748
Foreign exchange portfolio	9. a	7,312	21,270
Income receivable	10.	-	135,380
Trading account		2,493	-
Securities clearing accounts	21.c	6,704	4,471
Others	11. a	1,640,953	1,515,627
OTHER ASSETS		465,503	501,731
Non-financial assets held for sale	12.	403,538	396,504
(-) Provisions for impairment of non-financial assets		(7,998)	(3,483)
Prepaid expenses	13.	69,963	108,710
LONG TERM ASSETS		766,210	404,013
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	15. a/ b	761,375	397,669
PROPERTY, PLANT AND EQUIPMENT	16.	4,835	6,344
Property		10,845	10,845
Plant and Equipment		7,995	6,600
(Accumulated depreciation)		(14,005)	(11,101)
TOTAL ASSETS		36,141,586	20,541,659

The notes are an integral part of these financial statements.

PASSIVE	Note	2023	2022
FINANCIAL INSTRUMENTS		33,115,659	18,642,845
DEPOSITS	17.	30,534,128	17,673,689
Demand deposits		581,630	77,864
Interbank deposits		3,156,197	143,767
Time deposits		26,796,301	17,452,058
MONEY MARKET BORROWINGS	18. a	925,025	507,794
SECURITIES ISSUED	19.	1,251,013	188,521
Funds from housing bonds, mortgage notes, letters of credit and similar		1,251,013	188,521
INTERBANK ACCOUNTS		44,590	35,135
Payment transactions		44,590	35,135
INTERBRANCH ACCOUNTS		224,489	181,263
Foreign exchange portfolio		224,489	181,263
DERIVATIVE FINANCIAL INSTRUMENTS	7. c	136,414	56,443
TAX LIABILITIES		308,912	103,007
Current tax liabilities	14. b	143,590	82,576
Deferred tax liabilities	14. b	165,322	20,431
PROVISION FOR CONTINGENT LIABILITIES	21. c	4,514	7,441
OTHER LIABILITIES		330,055	222,080
Securities clearing accounts		6,060	6,033
Collection and levy of taxes and similar		45,444	2,340
Foreign exchange portfolio	9. a	7,466	22,502
Others		271,085	186,992
Obligations from sale and transfer of financial assets		2,442	3,061
Others	11. b	251,667	171,907
Debt instruments eligible for capital	20.	16,976	16,237
SHAREHOLDERS' EQUITY	22.	2,382,446	1,566,286
Capital		1,452,885	1,135,885
Profit Reserves		964,550	446,547
Other comprehensive income		(34,989)	(16,146)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		36,141,586	20,541,659

The notes are an integral part of these financial statements.

	Note	2nd Semester 2023	2023	2022
FINANCIAL INTERMEDIATION INCOME		2,722,171	5,452,337	2,780,309
Income from loans and advances	24.	1,506,821	2,707,189	1,688,006
Income (loss) from securities	7. b	918,631	1,664,721	787,029
Net gains / (losses) from derivatives	7. d	1,887	170,141	10,904
Foreign exchange income	9. b	44,018	70,770	94,831
Sale or transfer of financial assets	23.	250,814	839,516	199,539
FINANCIAL INTERMEDIATION EXPENSES		(1,983,804)	(3,544,468)	(1,719,065)
Deposits, repurchase agreements and securities issued	18. b	(1,983,804)	(3,544,468)	(1,719,065)
EXPENSES FOR EXPECTED CREDIT LOSS ASSOCIATED WITH CREDIT RISK		(290,986)	(390,372)	(118,818)
(-) Expenses for expected credit loss associated with credit risk	8. g	(290,986)	(390,372)	(118,818)
NET INCOME (LOSS) FROM FINANCIAL INTERMEDIATION		447,381	1,517,497	942,426
OTHER OPERATING INCOME (EXPENSES), NET		(274,154)	(864,444)	(866,558)
Service revenues		33,905	64,793	9,117
Banking fee income		9,371	13,369	813
Personnel expenses	25.	(79,499)	(145,554)	(101,276)
Other administrative expenses	26.	(598,072)	(1,074,250)	(849,138)
Tax expenses	27.	(51,889)	(115,290)	(84,027)
Share of profit of equity-accounted associates and subsidiaries	15. a	304,080	346,034	396,902
Other operating income	28.	210,512	307,245	130,985
Other operating expenses	28.	(102,562)	(260,791)	(369,934)
OPERATING INCOME (LOSS)		173,227	653,053	75,868
NON-OPERATING PROFIT (LOSS)		(1,844)	(766)	4,213
PROFIT (LOSS) BEFORE TRIAL LOSSES AND PROFIT SHARING		171,383	652,287	80,081
PROVISION FOR INCOME AND SOCIAL CONTRIBUTION TAXES	29.	78,063	(84,933)	147,509
Provision for income tax		73,413	(44,723)	(13)
Provision for social contribution tax		57,753	(36,765)	(17)
Deferred income and social contribution taxes		(53,103)	(3,445)	147,539
PROFIT SHARING		(8,214)	(35,566)	(16,763)
NET INCOME		241,232	531,788	210,827

The notes are an integral part of these financial statements.

	2nd Semester 2023	2023	2022
NET INCOME	241,232	531,788	210,827
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(513)	(18,843)	(12,486)
Items that are subsequently reclassified to income (loss)			
Change in fair value financial assets available for sale	(168)	(12,929)	(7,840)
Tax effect	76	5,818	3,528
Comprehensive income from investments	(421)	(11,732)	(8,174)
COMPREHENSIVE INCOME	240,719	512,945	198,341

The notes are an integral part of these financial statements

	Capital social		Profit Reserve		Other comprehensive income	Retained earnings	Total
	Capital social	Capital social to be paid-up	Legal Reserve	Special profit Reserve			
Balances as of December 31, 2021	415,425	-	42,974	192,746	(3,660)	-	647,485
Capital increase	745,460	(25,000)	-	-	-	-	720,460
Other comprehensive income	-	-	-	-	(12,486)	-	(12,486)
Net income	-	-	-	-	-	210,827	210,827
Appropriations:							
Reservation	-	-	10,541	200,286	-	(210,827)	-
Balances as of December 31, 2022	1,160,885	(25,000)	53,515	393,032	(16,146)	-	1,566,286
Balances as of December 31, 2022	1,160,885	(25,000)	53,515	393,032	(16,146)	-	1,566,286
Capital increase	500,000	(183,000)	-	-	-	-	317,000
Other comprehensive income	-	-	-	-	(18,843)	-	(18,843)
Net income	-	-	-	-	-	531,788	531,788
Destinations:							
I Interest on shareholders' equity	-	-	-	78,115	-	(91,900)	(13,785)
Reservation	-	-	21,994	417,894	-	(439,888)	-
Balances as of December 31, 2023	1,660,885	(208,000)	75,509	889,041	(34,989)	-	2,382,446
Balances as of June 30, 2023	1,160,885	-	53,515	439,315	(34,476)	236,106	1,855,345
Capital increase	500,000	(208,000)	-	-	-	-	292,000
Other comprehensive income	-	-	-	-	(513)	-	(513)
Liquid Result	-	-	-	-	-	241,232	241,232
Appropriations:							
Interest on equity capital	-	-	-	31,832	-	(37,450)	(5,618)
Reservation	-	-	21,994	417,894	-	(439,888)	-
Balances as of December 31, 2023	1,660,885	(208,000)	75,509	889,041	(34,989)	-	2,382,446

The notes are an integral part of these financial statements.

	2nd Semester 2023	2023	2022
OPERATING ACTIVITIES			
Net Income	241,232	531,788	210,827
Adjustments to net income	(363,745)	(291,614)	(443,890)
Provisions for expected losses associated with credit risk	290,986	390,372	118,818
Provisions for expected losses associated with credit risk -FIDC	(93,930)	(49,323)	112,397
Depreciation	1,446	2,904	2,909
Fair value gains / losses - Securities	(320,751)	(334,243)	5,613
Share of profit from associates and subsidiaries	(304,080)	(346,034)	(396,902)
Deferred income tax and social contribution	53,103	3,445	(147,539)
Profit sharing	8,214	35,566	16,763
Other provisions	-	3,327	10,468
(Gains)/Losses on the disposal of non-current assets held for sale	154	(876)	4,994
Formation (reversal) of provision for contingent liabilities	(308)	(2,927)	3,746
Effect of changes in exchange rates on cash and cash equivalents	1,421	6,175	(175,157)
Adjusted Income	(122,513)	240,174	(233,063)
Changes in assets and liabilities	(2,371)	(742,307)	(783,702)
Securities	(3,522,070)	(7,092,043)	(3,708,877)
Derivative financial instruments	47,290	33,489	(8,729)
Interbank investments	(60,934)	(187,336)	(372,520)
Loans and advances	(4,527,769)	(6,369,207)	(5,786,022)
Other assets	(14,501)	(1,640,339)	(141,863)
Deposits	6,847,083	12,768,850	9,186,456
Money market borrowings	361,340	417,231	238,373
Funds from housing bonds, mortgage notes, letters of credit and similar	895,186	1,062,492	(77,435)
Tax and social security liabilities	(123,982)	139,466	41,412
Other liabilities	95,986	125,090	(154,497)
Net cash used in operating activities	(124,884)	(502,133)	(1,016,765)
Taxes paid	(83,719)	(94,624)	(31,515)
INVESTING ACTIVITIES			
Acquisition of property and equipment in use	(613)	(1,395)	(429)
Write-off of property and equipment in use	-	-	11
Acquisitions of associates and/or investments	(17,492)	(17,492)	(25,205)
Capital increase in subsidiaries	(200)	(2,181)	(27,300)
Dividends receivable	-	(15,340)	232,543
Acquisition of shares	-	-	(60,000)
Change in ownership interest	1,564	5,609	846
Capital gain	-	-	(9,390)
Net cash from / (used in) from investing activities	(16,741)	(30,799)	111,076
FINANCING ACTIVITIES			
Capital increase	292,000	317,000	720,460
Interest on shareholders' equity	(37,450)	(91,900)	-
Net cash from financing activities	254,550	225,100	720,460
NET CHANGES IN CASH AND CASH EQUIVALENTS	29,206	(402,456)	(216,744)
Cash and cash equivalents at beginning of period	192,395	628,811	670,398
Effect of changes in exchange rates on cash and cash equivalents	(1,421)	(6,175)	175,157
Cash and cash equivalents at end of period	220,180	220,180	628,811

The notes are an integral part of these financial statements.

1. OPERATIONS

Banco Master S.A. ("Banco Master", "Bank" or "Master") is a financial institution authorized by the Central Bank of Brazil (Bacen) which carries out commercial bank activities through commercial and foreign exchange portfolios. Its subsidiaries operate in several market segments, including fund management, foreign exchange and brokerage transactions at B3, set up as a closed corporation located at Pr. Botafogo, 228, Botafogo, Rio de Janeiro – RIO DE JANEIRO, and the main place of its business in São Paulo - São Paulo.

2. CAPITALIZATION PLAN

In accordance with its strategic plan, Banco Master authorized a capital increase of R\$500 million at its AGM/E in December 2023. On the same date, the shareholders paid in the amount of R\$292 million, with a remaining balance of R\$208 million to be paid in during the first half of 2024.

The shareholders will continue to strive for a steady pace of capitalizations in the coming years, so that Master's expansion plan, driven by asset growth and ongoing acquisitions, is possible. The expectation is to carry out capitalizations in the amount of R\$900 million, seeking to elevate Banco Master to a relevant level in the Brazilian banking scenario. With the expected result for 2024, we expect to reach a net worth of R\$5 billion.

In 2023, Bacen approved a capital increase of R\$400 million in relation to the payment made in December 2022.

3. PRESENTATION OF THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Banco Master's financial statements. The financial statements were prepared on a going concern basis, and in accordance with Brazilian accounting policies applicable to institutions authorized to operate by the Central Bank of Brazil as a result of CMN Resolution No. 4,818/20, and in accordance with the accounting guidelines set forth by Brazilian Corporate Law, in accordance with the standards and instructions of the National Monetary Council (CMN), and they show all significant information characteristic of financial statements, and only that information, which is consistent with that used by management to run the Company.

These financial statements were authorized for issue by management on March 27, 2024.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below are as follows:

a) Functional currency

The financial statements are presented in reais (R\$), which is the Bank's functional currency.

b) Results of operations

Revenues and expenses are recorded on an accrual basis, which establishes that revenues and expenses should be included in the statement of income for the periods in which they occur, always simultaneously when they are correlated, regardless of their receipt or payment.

Financial income and expenses are recognized on a pro rata temporis basis, mainly using the exponential method.

Operations with floating rates or pegged to foreign currencies are updated to the balance sheet dates.

c) Cash and cash equivalents

Cash and cash equivalents comprise local and foreign currencies and interbank funds applied, whose maturity on the date of the effective investment is equal to or less than 90 days and present insignificant risk of change in fair value, which are used by Master for managing its short-term commitments.

d) Interbank investments

Interbank investments are measured at cost, plus income earned through the balance sheet dates.

e) Securities

In accordance with Circular Letter 3.068/01, the Bank's securities are classified into three specific categories "Held for trading securities", "Securities available for sale" and "securities held to maturity".

Held for trading: securities acquired for the purpose of being actively and frequently negotiated. These securities are measured at fair value, with related gains or losses recognized in the income statement. Such securities are recorded in current assets, irrespective of their maturity dates.

Available for sale: securities classified in this category are those that may be traded but not acquired for the sole purpose of being frequently traded or held to maturity. Accrual are recognized in the statement of income and unrealized changes in market value, when realized, are recognized with a counter-entry to equity, net of taxes; and

Held to maturity: within this category, those securities for which the Institution has the intent and financial capacity to maintain in its portfolio up to maturity. They are accounted for at the cost of acquisition, plus intrinsic income. The reassessment regarding the classification of securities is carried out during the preparation of the half-yearly balance sheets, taking into consideration the intention and financial capacity, pursuant to the procedures established by Circular Letter 3.068/01.

f) Measurement of fair values

The Methodology applied to measure fair value (probable realization value) of securities is based on economic scenarios and pricing models developed by The Executive Board, which include capturing applicable average prices in the market on the balance sheet base date. Therefore, upon effective financial settlement of these items, results may differ from estimates. According to Circular Letter 3.082/02 and further regulations, derivative financial instruments must be classified at the date of their acquisition according to the intention of the Executive Board for hedge purposes or not and recorded at market value, with gains and losses recognized directly in the income statement for the period.

When measuring the fair value of an asset or liability, they are classified at different levels according to a hierarchy based on information used in valuation techniques, as follows:

Level 1: prices quoted (not adjusted) in active markets for identical assets and liabilities.

Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

Level 3: inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs)..

g) Derivative financial instruments

Derivative financial instruments are classified on acquisition date, according to Management's intention for hedging purposes, according to the assumptions of BACEN Circular Letter No. 3,082/2002.

Operations that utilize financial instruments carried out at the request of customers on the Bank's own account, or that do not fulfill the protection criteria (mainly derivatives utilized to manage global risk exposure), are recorded at market value, with realized and unrealized gains and losses, recorded directly in the statement of income.

Market risk hedge

In 2022, the Master initiated market risk hedge strategies. At inception of the hedging transaction, the Company documents the relationship between the hedging instrument and hedged item, and its objective e risk management strategy.

The hedge is assessed on an ongoing basis and is determined to be highly effective during all periods of the financial statements for which it has been designated.

The following practices are applied to these transactions:

- The gain or loss resulting from the re-measurement of the hedging instrument at fair value should be recognized in profit or loss.
- The gain or loss resulting from the covered item attributable to the effective portion of the designated risk should adjust the carrying amount of the covered item to be recognized in profit or loss.

When the derivative expires or is sold and the *hedge* criteria are no longer met or the designation is revoked, the hedge should be discontinued prospectively. Moreover, any adjustment in the book value of the covered item should be amortized in profit or loss.

h) Minimum requirements for pricing financial instruments (securities and derivative financial instruments)

CMN Resolution 4.277/13 provides for minimum requirements to be followed in the process of pricing financial instruments valued at market value and regarding the adoption of prudential adjustments by financial institutions. The financial instruments addressed by the Resolution include:

- Securities classified in the categories “held for trading” and “available for sale”, pursuant to Bacen Circular Letter 3.068/01;
- Derivative financial instruments addressed by Bacen Circular Letter 3.082/02; and
- Other financial instruments valued at market value, regardless of their classification in the trading portfolio, provided for in CMN Resolution 3.464/07.

Pursuant to this resolution, the Bank started to establish procedures to assess the need for adjustments in the value of the financial instruments mentioned above, following the prudence, relevance and reliability criteria. This assessment includes, among other factors, the credit risk spread in the recording of the market value of these instruments.

i) Loans and allowances for impairment loss on loans

Provision for losses associated with credit risk relating to loan operations, advances on foreign exchange contracts and other credits with credit concession characteristics, including Sureties and guarantees provided, is determined in conformity with the precepts of Resolution 2.682/99, of the National Monetary Council - CMN, considering the classification of the loan operations and other financial assets at nine levels of risk that, in turn, are directly related to the percentage of allowance to be recorded.

The classification of operations is backed by the periodic analysis of the debtor and of the operation, taking into account items such as the economic and financial situation, degree of indebtedness, capacity to generate income, cash flow, administration and quality of controls, punctuality and delays in payments, contingencies, sector of activity, credit limit and the general characteristics of the operation, as well as guarantees involved.

Write-offs of credit operations against losses are performed 6 months after being classified with an H rating, provided that they exhibit delinquency of more than 180 days.

With regard to the period of delay seen in operations with a term of more than 36 months, double counting is allowed on the delay intervals defined for the nine risk levels.

Income from loans overdue for more than 59 days, regardless of their level of risk, are only recognized as revenue when effectively received.

Operations classified at level H (100% of provision) continue in this status for six months, when they are written off against the existing provision and controlled, for five years, in a memorandum account, no longer appearing on the balance sheet, as established by CMN Resolution 2.682/99.

The renegotiations recorded as losses and subsidiaries in clearing accounts are classified as level H risk. Any gains earned upon the renegotiation are appropriated to income (loss) when actually received. The reclassification for the lower risk category is carried out when there is a significant operation of amortization or when new relevant events justify the change in risk level.

j) Court-ordered debt payments

Court-ordered debt payments are requests for payments issued by the Brazilian Judiciary Branch to collect the payment of amounts due from municipalities, states or the Federal Government and foundations after a final and unappealable judicial decision. The court-ordered debt payments are acquired by the Bank after an assessment of the current regulations, debt stock and payment performance of each debtor. At the same time, the asset is subject to an analysis that mainly includes procedural issues and risk assessment of the assignor.

The pricing of court-ordered debt payments considers the predictability of receipt linked to the relative discount for the intended income during the expected flow for settlement. The flow may possibly differ from the forecast, as a result of the consolidation of the debtor entities' budget targets. The present book value is calculated based on the acquisition price, plus the monthly appropriation of income related to the term and discount, as well as the indexes of inflation adjustment and other legal charges, in accordance with the current legislation applicable to the case.

k) Write-off of financial assets

As provided by Bacen Resolution 3.533/08, a financial asset is written-off when the contractual rights to the cash flow of the financial asset expire or when the sale or transfer of this financial asset occurs.

The sale or transfer of a financial asset should be classified into the following categories:

- **Operations with substantial transfer of risks and rewards:** assignor substantially transfers all property risks and rewards of the asset that is the object of the transactions, such as: (i) unconditional sale of financial asset; (ii) sale of the financial asset together with a repurchase option at the fair value of that asset upon repurchase; and (iii) sale of financial asset together with call or put option whose exercise seems is improbable.
- **Transactions with substantial retention of the risks and rewards:** assignor substantially retains all property risks and rewards of the asset that is the object of the transactions, such as: (i) sale of financial asset together with commitment to repurchase the same asset at a fixed price or at sales price plus earnings; (ii) loan agreements for securities; (iii) sale of financial asset together with total return rate swap contract that transfers exposure to market risk back to the assignor; (iv) sale of financial asset together with call or put option whose exercise is probable; and (v) sale of receivables for which the seller or assignor guarantees that will use any way to compensate buyer or assignee for credit losses that may occur, or whose sale occurred together with acquisition of subordinated quotas of the buyer's Credit Right Investment Fund (FIDC); And
- **Operations without transfer or substantial retention of risks and rewards:** transactions in which the assignor does not transfer nor substantially retains all the risks and rewards of ownership of the financial asset which is the object of the transaction.

Provisions for loan operations follow the parameters established by Bacen Resolution 2.682/99.

As of January 1, 2012, CMN Resolution 3.533/08, became effective, altering the accounting of credit assignment transactions carried out beginning as from this date, establishing procedures for the classification and disclosure of sales transactions or transfer of financial assets. In accordance with this new regulation, the maintenance or write-off of the financial asset is related to substantial retention of risks and rewards in sale or transfer operations. Credit assignment transactions classified as "substantial retention of risks and rewards" remain fully recorded in assets. Amounts received in the ambit of the transaction are recorded in assets with a contra entry to liabilities, referring to the assumed obligation. Revenues and expenses are recognized separately in income for the period, over the remaining transaction period. Credits granted without "substantial retention of risks and rewards" are written-off from assets and gains or losses recognized on the assignment date.

l) Prepaid expenses

They are controlled by contract and accounted for under "Prepaid expenses". The allocation of said expense to income (loss) for the period is carried out in accordance with the term of the contracts and recorded under "Other administrative expenses".

m) Other assets

Other current and long-term assets are stated at cost, including, when applicable, earnings and monetary fluctuations earned until the balance sheet date, less the related provisions for losses or adjustments to the realizable value.

- **Foreign exchange operations** - Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate ruling on the balance sheet date and the foreign exchange differences arising on translation are recognized as income (loss) for the period.
- **Security clearing accounts** - The balances are stated at the purchase or sale prices of financial instruments carried out in stock exchanges or commodities and futures exchanges for the Company's own account or for clients, pending settlement within the term provided by the current law

n) Long term assets

Are recorded at cost, combined with the following aspects:

Investments in subsidiaries and associated companies

The interest in subsidiaries is accounted for under the equity method;

Interest in non-subsidiaries is accounted for under the cost method.

Property, plant and equipment

Items of property and equipment are measured at the historical cost of acquisition, less accumulated depreciation and any accumulated impairment losses, when applicable. Depreciation is calculated on a straight-line basis, at the following annual rates: buildings, 4%, furniture, equipment for use and communication system, 10% and data processing system, 20%.

o) Impairment of non-financial assets

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable value. A cash generating unit is the smallest identifiable group of assets that generates cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Non-financial assets, except tax credits, are reviewed at least annually to check for any signs of *impairment*.

p) Money market funding

Purchase (sale) of financial assets based on fixed price resale (repurchase) agreement are recognized in the balance sheet as financing awarded (received), based on debtor's (creditor's) nature, under the account "Money market funding".

q) Borrowings and on-lendings

Borrowings and on-lendings are stated at known amounts or estimated, including, when applicable, the charges calculated on a "pro rata" daily basis and the inflation adjustments and exchange-rate changes incurred.

r) Other liabilities

Stated at known amounts or estimated, including, when applicable, the charges calculated on a "pro rata" daily basis and the inflation adjustments and exchange-rate changes incurred up to the balance sheet dates.

s) Contingent assets and liabilities and legal obligations – tax and social security

The recognition, measuring and disclosure of contingent assets, contingent liabilities and legal obligations are carried out according to CMN Resolution 3.823/09, which approved the Accounting Pronouncement (CPC 25) and Circular Letter 3.429/10, as follows:

Contingent assets - these are not recognized, except when there is evidence that realization thereof is virtually certain, usually represented by the final lawsuit judgment and confirmation of their recovery through receipt or offset against another payable.

Contingent liabilities - are recognized in the financial statements when, based on the opinion of the legal advisors and Executive Board, the risk of loss of a lawsuit or administrative proceeding is considered probable, with a probable outflow of financial funds for the settlement of obligations and when the sums involved are measurable with sufficient assurance, whereas those classified as remote losses require neither provision nor disclosure. Causes classified as possible loss are only disclosed.

Legal obligations (tax and social security) - refer to lawsuits challenging the legality and constitutionality of federal taxes and contributions. Disputed amounts are quantified, adjusted on a monthly basis and a provision is fully recorded for it.

t) Provision for income tax and social contribution

There are two components of the provision for income and social contribution taxes: current and deferred. The current component approximates the taxes that will be paid or recovered in the applicable period. The deferred component, which consisting of deferred tax assets and deferred tax liabilities, is obtained based to the differences between the accounting and tax bases of assets and liabilities at the end of each reporting period.

Income and social contribution tax expenses are recognized in the profit or loss as income and social contribution taxes, except when they pertain to items recognized directly in equity, such as tax on the fair value measurement of available-for-sale securities. Subsequently, these items are recognized in the profit or loss when the instruments are realized.

Changes in tax law and tax rates are recognized in the profit or loss in the period they come into effect. Interest and fines are recognized in the profit or loss as other administrative expenses.

The tax rates and their calculation bases are detailed in note 29.

u) Use of estimates

The preparation of the financial statements requires Management to make estimates and assumptions to determine the values of assets, liabilities, revenues, expenses and other transactions, such as impairment loss on loans, deferred income tax assets, provision for contingencies and market valuation of certain securities and derivative financial instruments. The settlement of transactions may result in amounts different from estimates, due to the inherent inaccuracy of the process. Estimates and underlying assumptions are reviewed on an ongoing basis.

v) Non-recurring profit (loss)

BCB Resolution 2/20, in its article 34 started to determine the segregated disclosure of recurring and non-recurring results. According to the internal evaluation criteria, a non-current income (loss) for the period is defined as the result that is related to atypical activities of the institution and is not expected to occur frequently in future periods. Recurring income, in turn, corresponds to the typical activities of the Institution and is expected to occur frequently in future periods. The nature and financial effect of events considered non-recurring are presented in Note 32.

w) Interpretations of standards applicable in future periods

CMN Resolution No. 4.966

With a prospective effect as from January 1, 2025, CMN Resolution No. 4.966/21 changes the classification, measurement and disclosure of financial instruments and hedge accounting.

The Master prepared a formal plan, approved internally, including the necessary and detailed actions for adopting the new standard. The implementation plan was structured with the purpose of assessing regulatory and process impacts, defining governance issues and identifying system aspects.

The Master has been evaluating the application of that standard and the possible impacts arising from adoption are being evaluated. It will be completed by the effective date.

5. CASH AND CASH EQUIVALENTS

The Bank defines as "Cash and cash equivalents" the amounts held to meet short-term financial commitments. Financial investments are highly convertible into a known amount of cash and are not subject to a risk of significant changes. They are stated at cost, plus income earned through the balance sheet dates, not exceeding their market or realizable value.

	2023	2022
Cash equivalents	179,034	178,141
Cash	557	196
Bank reserve	6,711	4,992
Foreign currency (i)	171,766	172,953
Interbank investments	41,146	450,670
Total	220,180	628,811

(i) Amounts deposited abroad primarily in US dollar and euro currencies.

6. INTERBANK INVESTMENTS

	2023			
Paper/Maturity	Up to 3 months	From 3 to 12 months	1 - 3 years	Total
Interbank deposits	-	100,131	459,725	559,856
Foreign-currency investments	41,146	-	-	41,146
Total	41,146	100,131	459,725	601,002
Current				141,277
Non-current				459,725

	2022		
Paper/Maturity	Within 3 months	Within three to five years	Total
Money market reverse repurchase agreements	450,670	-	450,670
Own portfolio position			
National Treasury Notes - NTN	383,710	-	383,710
National Treasury Bills - LTN	60,010	-	60,010
Funded position			

National Treasury Notes - NTN	6,950	-	6,950
Interbank deposits	-	372,520	372,520
Total	450,670	372,520	823,190
Current			450,670
Non-current			372,520

7. SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

Private securities are registered and held in custody at B3 - Brasil, Bolsa e Balcão and government bonds are registered and held in custody at the SELIC (Special System for Settlement and Custody).

a) Breakdown of the securities portfolio by category, type of security and maturity date

2023								
Security/Maturity	Level	Within 3 months	From 3 to 12 months	Within one to three years	Within three to five years	Over five years	Market value (book value)	Amortized cost
Securities available for sale								
Debentures	2	-	36,394	-	-	-	36,394	36,913
Total securities available for sale		-	36,394	-	-	-	36,394	36,913
Trading securities								
Investment fund quotas – FIDCs (i)	2	1,488,284	851,453	2,529,848	892,451	775,025	6,537,061	6,537,061
Investment fund quotas – Other	2	3,018,453	122,290	8,504	1,819,202	-	4,968,449	4,968,449
Financial Treasury Bills - LFTs	1	25,428	205,597	273,869	693,421	98,744	1,297,059	1,297,025
Investments in foreign securities	2	1,085,283	-	-	-	-	1,085,283	1,085,283
National Treasury Bills - LTN	1	10,680	76,095	315,848	-	-	402,623	401,225
National Treasury Notes - NTN	1	-	379	-	45,441	79,605	125,425	125,042
Total trading securities		5,628,128	1,255,814	3,128,069	3,450,515	953,374	14,415,900	14,414,085
Total securities		5,628,128	1,292,208	3,128,069	3,450,515	953,374	14,452,294	14,450,998
Current							14,452,294	
Non-current							-	
2022								
Security/Maturity	Level	Within 3 months	From 3 to 12 months	Within one to three years	Within three to five years	Over five years	Market value (book value)	Amortized cost
Securities available for sale								
Debentures	2	-	-	32,181	-	-	32,181	32,651
Mortgage-backed securities	2	-	12,644	-	-	-	12,644	10,792
Total securities available for sale		-	12,644	32,181	-	-	44,825	43,443
Trading securities								
Investment fund quotas – FIDCs (i)	2	735,886	597,031	1,282,708	349,651	214,355	3,179,631	3,179,631
Investment fund quotas – Other	2	1,466,879	-	-	20,770	-	1,487,649	1,487,649
Financial Treasury Bills - LFTs	1	38,019	145,095	362,930	705,423	257,240	1,508,707	1,509,448
Investments in foreign securities	2	625,009	-	-	-	-	625,009	625,009
National Treasury Bills - LTN	1	-	3,125	76,155	-	-	79,280	82,955
National Treasury Notes - NTN	1	-	-	61,510	6,134	3,781	71,425	72,621
Total trading securities		2,865,793	745,251	1,783,303	1,081,978	475,376	6,951,701	6,957,313
Total securities		2,865,793	757,895	1,815,484	1,081,978	475,376	6,996,526	7,000,756
Current							6,964,345	
Non-current							32,181	

- (i) As of December 31, 2023 they include additional provisions for Expected losses in the amount of R\$18,379 (R\$112,397 as of December 31, 2022).

The market value of securities is based on prices quoted on the reporting date. If there is no market price quotation, then values are estimated based on quotations of distributors or future cash flows discounted to present value using discount rates obtained from observable market data. Investments in investment fund shares are recognized at acquisition value and adjusted for inflation at the amounts of shares disclosed by fund managers.

b) Income from securities

Net gains and losses on securities recognized in profit or loss are as follows:

	2nd Semester 2023	2023	2022
Investment fund quotas	787,296	1,440,415	663,454
Foreign securities	177,226	282,913	96,877
Purchase and sale commitments	22,678	57,319	27,510
Fixed income securities	(68,569)	(115,942)	(774)
Variable income securities	-	16	(38)
Total	918,631	1,664,721	787,029

c) Breakdown of the portfolio of derivative financial instruments

I. Risk Management

The risk management control of the portfolios is performed using methodologies such as: Value at risk (VAR), sensitivity, liquidity risk and stress scenarios. Based on this information, the Treasury Department provides the necessary derivative financial instruments in accordance with the market and liquidity risk policy previously defined by Management.

Derivative financial instruments represent contracts agreed with various counterparties to manage our global exposure, especially the management of foreign exchange exposure.

II. Valuation and measurement criteria, methods and assumptions used in the determination of market value

For calculating the market value of derivative financial instruments, Master uses the referential market rates disclosed mainly by specialized exchanges. For derivatives that do not have prices directly published by exchanges, fair values are obtained through pricing models that use market information, inferred from published prices of more liquid assets. Yield curves and market volatilities are extracted from these prices, which serve as input data for the models. Over-the-counter derivatives and low-liquid securities are classified in this situation.

III. Composition of the portfolio by maturity

2023								
	Level	Within 3 months	From 3 to 12 months	Within one to three years	Within three to five years	Over five years	Fair Value	Notional value
Assets								
Swap	2	-	32,979	24,612	123,732	17,764	199,087	2,303,422
NDF	2	3,253					3,253	212,060
Total		3,253	32,979	24,612	123,732	17,764	202,340	2,515,482
Current							36,232	
Non-current							166,108	
Passive								
Swap	2	-	1,142	48,346	81,094	1,163	131,745	1,132,308
Options	2	-	4,669	-	-	-	4,669	1,000,000
Total		-	5,811	48,346	81,094	1,163	136,414	2,132,308
Current							5,811	
Non-current							130,603	
2022								
	Level	Within 3 months	From 3 to 12 months	Within one to three years	Within three to five years		Fair Value	Notional value
Assets								
Swap	2	14,257	-	133	-		14,390	400,531
Options	2	-	42,967	-	-		42,967	905,169
Total		14,257	42,967	133	-		57,357	1,305,700
Current							57,224	
Non-current							133	
Passive								
Swap	2	3,563	-	-	4,006		7,569	1,177,069
Options	2	-	48,874	-	-		48,874	905,169

Total	3,563	48,874	-	4,006	56,443	2,082,238
Current					52,437	
Non-current					4,006	

IV. Composition of the portfolio by index

	2023		2022	
	Notional value	Fair Value	Notional value	Fair Value
Swap - Market risk				
Assets				
IPCA x CDI	51,808	713	400,531	14,390
Pre x CDI	2,051,512	165,395	-	-
CDI	200,102	32,979	-	-
Passive				
IPCA x CDI	391,866	8,978	1,177,069	7,569
Pre x CDI	740,442	122,767	-	-
Options				
Assets				
CDI	-	-	905,169	42,967
Passive				
CDI	1,000,000	4,669	905,169	48,874
NDF				
Assets				
Index - DOL*	212,060	3,253	-	-
Total assets	2,515,482	202,340	1,305,700	57,357
Total liabilities	2,132,308	136,414	2,082,238	56,443

* Agreement in dollar US\$

V. Hedge accounting

Market risk hedge

Hedging of the funding portfolio - CDB

The Master has a market risk hedge framework. These positions are hedge structures of fund raising exposures pegged to fixed interest rates and to the IPCA to convert these positions to the CDI.

The purpose of the financial instruments classified into this category is to offset the risks arising from exposure to the fluctuation in the market value of the hedged item, and the gain or loss is recognized in profit or loss. The *hedged* item is adjusted to market value, and the effective portion of the gain or loss is recognized in profit or loss. When the *hedging* instrument expires or is traded or if the hedge is discontinued, any adjustment to the *hedged item* is accounted for directly in profit or loss.

The effectiveness determined for the *hedging portfolio* is in accordance with the provisions of Circular Letter No. 3,082/02, given that Master chose to keep its hedging structure following the requirements set by this standard.

	2023			
	Notional value	Curve Value	Market Value	Market adjustment
Hedging instrument				

Swap Contracts – fixed rates x interbank deposit	2,235,636	(18,500)	60,793	79,293
Swap agreements – IPCA x interbank deposit	443,674	(16,567)	(8,265)	8,302
Total	2,679,310	(35,067)	52,528	87,595

Hedged object

Demand deposits		(2,859,350)	(2,946,760)	(87,410)
Total		(2,859,350)	(2,946,760)	(87,410)

				2022
	Notional value	Curve Value	Market Value	Market adjustment
Hedging instrument				
Swap Contracts - fixed rates x interbank deposit	186,572	(242)	2,264	2,506
Swap agreements - IPCA x interbank deposit	525,015	(3,776)	(10,496)	(6,720)
Total	711,587	(4,018)	(8,232)	(4,214)
Hedged object				
Demand deposits		(723,317)	(719,138)	4,179
Total		(723,317)	(719,138)	4,179

d) Income from derivative financial instruments

	2nd Semester 2023	2023	2022
Swap	46,390	106,935	7,933
Future	9,938	72,566	14,840
Options	(55,490)	(38,590)	(11,869)
NDF	1,049	29,230	-
Total	1,887	170,141	10,904

8. LOAN OPERATIONS, GUARANTEES PROVIDED AND SECURITIES WITH CREDIT RISK**a) Breakdown of the portfolio by type of transaction**

	2023	2022
Securities and loans receivables (1)	7,645,415	6,004,227
Loans (Corporate)	4,593,428	880,950
Payroll-deductible loan (2)	2,551,226	2,206,627
Credit card	583,613	264,848
Secured account	497,691	319,148
Personal loan	179,138	48,676
Housing loans	34,362	25,964
Home Equity	15,873	29,977
Assets not for use finance	15,406	14,487
Real estate financing	7,423	11,996
Assignment of FIDC portfolio	455	1,078
Total	16,124,030	9,807,978
Current	2,686,101	2,146,825
Non-current	13,437,929	7,661,153

a.1) Securities and other receivables

	2023	2022
Receivables	7,478,242	5,853,170
Federal	7,478,242	5,853,170
Court-ordered debt payments	148,698	131,752
State	92,935	82,983
Municipal	55,763	48,769
Total	7,626,940	5,984,922

- Securities and credits receivable are mainly composed of amounts receivable arising from court-ordered debt payments and credit rights acquired by the Bank. Acquired securities have legal and accounting expert reports that support accounting records and make up the internal analysis linked, particularly to procedural issues and the ceding company's risk assessment for the acquisition and pricing.

The book present value is stated at amortized cost and is calculated according to the acquisition price, plus the monthly recognition of income for the adjustment that is the subject matter of the lawsuit, discounting discount, as well as inflation adjustment indexes (SELIC - Central Bank overnight rate index according to Law No. 14.375/22), and other legal charges, in accordance with current legislation applicable to the case.

b) Composition of the portfolio by maturity

	2023					
	Falling due		Overdue		Total	
Term	Amount	%	Amount	%	Amount	%
Up to 3 months	1,196,420	7.5	55,622	39.8	1,252,042	7.8
3 to 12 months	1,363,327	8.5	70,732	50.6	1,434,059	8.9
1–3 years	3,271,239	20.5	13,472	9.6	3,284,711	20.4
3–5 years	2,190,117	13.7	-	-	2,190,117	13.6
5–15 years (i)	7,963,101	49.8	-	-	7,963,101	49.3
Total	15,984,204	100.0	139,826	100.0	16,124,030	100.0

	2022					
	Falling due		Overdue		Total	
Term	Value	%	Value	%	Value	%
Up to 3 months	829,896	8.5	36,947	51.3	866,843	8.8
3 to 12 months	1,246,210	12.8	33,772	46.9	1,279,982	13.1
1–3 years	684,116	7.0	1,277	1.8	685,393	7.0
3–5 years	467,592	4.8	-	-	467,592	4.8
5–15 years (i)	6,508,168	66.9	-	-	6,508,168	66.3
Total	9,735,982	100.0	71,996	100.0	9,807,978	100.0

- (i) Mainly consisting of certificates of deposit and receivables represented in a.1.

c) Composition of the portfolio by risk level

	2023				
Risk level	% of provision	Falling due	Overdue	Total	Provision
AA	0.0%	7,496,718	-	7,496,718	-
A	0.5%	2,810,941	6,048	2,816,989	14,079
B	1.0%	483,904	7,360	491,264	4,912
C	3.0%	4,385,891	16,517	4,402,408	132,072

D	10.0%	391,378	6,857	398,235	39,823
E	30.0%	252,691	13,997	266,688	80,006
F	50.0%	23,761	7,708	31,469	15,734
G	70.0%	28,469	10,737	39,206	27,444
H	100.0%	110,451	70,602	181,053	181,053
Total		15,984,204	139,826	16,124,030	495,123

					2022
Risk level	% of provision	Falling due	Overdue	Total	Provision
AA	0.0%	5,872,474	-	5,872,474	-
A	0.5%	2,511,341	3,249	2,514,590	12,569
B	1.0%	1,066,231	4,566	1,070,797	10,708
C	3.0%	126,210	8,570	134,780	4,043
D	10.0%	36,541	8,797	45,338	4,534
E	30.0%	29,408	7,428	36,836	11,051
F	50.0%	11,555	4,511	16,066	8,033
G	70.0%	22,522	11,241	33,763	23,634
H	100.0%	59,700	23,634	83,334	83,334
Total		9,735,982	71,996	9,807,978	157,906

d) Breakdown of the credit portfolio by economic sector

	2023	2022
Public (i)	7,626,940	5,984,922
Individual	3,401,916	2,586,137
Construction	1,206,665	224,273
Financial	1,186,286	520,060
Industry	1,176,553	9,860
Services	913,578	326,263
Trade	409,729	111
Communication	146,084	153,556
Other	56,279	2,796
Total	16,124,030	9,807,978

(i) They consist of certificates of deposit and receivables, as detailed in note a.1.

e) Composition of the loan portfolio by index

	2023	2022
Floating rate	7,627,132	7,161,449
Fixed rate + floating rate	5,250,744	64,379
Fixed rate	3,246,154	2,582,150
Total	16,124,030	9,807,978

f) Composition of the portfolio by concentration - except portfolio of certificates of sale

	2023		2022	
	Balance	% of Portfolio	Balance	% of Portfolio
10 largest debtors	3,417,897	40.2	944,653	24.7
11 - 20 largest debtors	1,353,366	15.9	210,797	5.5
21 - 50 largest debtors	537,712	6.3	122,296	3.2
51 - 100 largest debtors	237,548	2.8	33,378	0.9
Other clients	2,950,567	34.8	2,511,932	65.7
Total	8,497,090	100.0	3,823,056	100.0

g) Changes in the allowances for impairment loss on loans and other receivables, according to Resolution No. 2.682/99

	2nd Semester 2023	2023	2022
Beginning Balance	227,722	157,906	91,656
Recognition/Reversal	290,986	390,372	118,818
Receivables written off as loss	(23,585)	(53,155)	(52,568)
Ending Balance	495,123	495,123	157,906

h) Credit recovery

In the year ended December 31, 2023 receivables previously written off as loss were recovered in the amount of R\$6,689, and R\$3,442 in the second half of 2023 (R\$11,293 in the year ended December 31, 2022).

i) Renegotiated contracts

As of December 31, 2023 there were renegotiated agreements in the amount of R\$384,286, and R\$172,031 in the second half of 2023 (R\$592,806 as of December 31, 2022). The same ratings of the transactions carried out before renegotiation were granted to these agreements. The balance considered as renegotiation any agreement or change in maturity dates and payment terms originally agreed on.

9. FOREIGN EXCHANGE PORTFOLIO

a) Portfolio breakdown

		Other assets		Other liabilities
	2023	2022	2023	2022
Receivables from foreign exchange sales	4,895	1,261	-	-
Purchased foreign exchange to be settled	2,517	20,969	-	-
Advances in local currency received	(100)	(960)	-	-
Sold foreign exchange to be settled	-	-	4,947	1,254
Liabilities due to purchase of foreign exchange	-	-	2,507	21,235
Amounts in foreign currencies payable	-	-	12	13
Total	7,312	21,270	7,466	22,502
Current	7,312	21,270	7,466	22,502
Non-current	-	-	-	-

b) Foreign exchange income

The net foreign exchange gains and losses recognized in profit or loss are as follows:

	2nd Semester 2023	2023	2022
Income from cash and cash equivalents in foreign currencies	46,353	87,665	216,600
Financial	1,278	1,938	6,911
Import	96	123	282
Export	8	14	20
Variations and differences in rates	(3,717)	(18,970)	(128,982)
Total	44,018	70,770	94,831

10. INCOME RECEIVABLE

	2022
Dividends receivable	135,380
Total	135,380

Current	135,380
Non-current	-

Amounts settled during 2023, therefore with no balance for December 31, 2023.

11. OTHER ASSETS AND OTHER LIABILITIES - OTHERS

a) Other assets - Others

	2023	2022
Amounts receivable from sales of assets (i)	1,227,766	1,395,935
Other receivables – domestic and foreign	336,795	44,296
Acquisition of interest (ii)	63,987	66,598
Advances for payment on our behalf	12,146	8,436
Advances for payment on our account	259	362
Total	1,640,953	1,515,627
Current	1,640,953	1,515,627
Non-current	-	-

(i) Consists primarily of the sale of loan assets, namely payroll loan and other receivables, and certificates of judgment debt owed to the Company. Proceeds are ongoing in 2023. The reported balances are net of loss allowances in the amount of R\$107,374. (R\$61,572 as of December 31, 2022).

(ii) Consists of the initial payment for the acquisition of BNI - BANCO DE NEGÓCIOS INTERNACIONAL, S.A. On August 22, 2023, Banco Master sent a communication to Banco de Portugal informing banco de Portugal that it had no intention of acquiring an interest in BNI.

b) Other liabilities - sundry

	2023	2022
Provision for card installment payments	79,110	42,144
On-lendings	71,371	21,549
Other payables – domestic	43,724	23,720
Provision for personnel expenses	16,509	9,390
Provision for share agreement - Kovr Participações	13,592	-
Deferral of surety bond commission	5,610	-
Amounts to be passed on - loan protection	2,857	6,216
Certificates of certificate of payment payable	263	55,744
Other provisions	18,631	13,144
Total	251,667	171,907
Current	238,075	171,907
Non-current	13,592	-

12. NON-FINANCIAL ASSETS HELD FOR SALE

Assets not for use	2023	2022
Residential property	159,640	162,217
Rural land	124,013	148,366
Commercial property	118,236	84,272
Urban Land	1,649	1,649

Total	403,538	396,504
Current	403,538	396,504
Non-current	-	-

13. PREPAID EXPENSES

	2023	2022
Funding commissions	36,632	55,054
Commissions on the placement of loans	33,331	53,656
Total	69,963	108,710
Current	18,079	5,723
Non-current	51,884	102,987

14. TAX ASSETS AND LIABILITIES

In accordance with accounting policies and regulations of the National Monetary Council (CMN), the Bank's Management recognized tax credits arising from temporary differences as of December 31, 2023 and 2022. That recognition complied with the Bank's profitability estimates, the expected realization of those tax credits and the history of tax profits over the past five years.

a) Tax assets

	2023	2022
Current tax assets	117,555	23,268
Recoverable income tax	71,566	12,479
Social contribution tax to offset	45,331	9,825
Other taxes recoverable	658	964
Deferred tax assets	370,937	223,673
Provision for expected losses associated with credit risk	362,813	199,696
Profit sharing	3,690	1,283
Market value adjustment	2,403	7,860
Provision for contingencies	2,031	3,348
Tax losses carried forward	-	11,486
Total	488,492	246,941
Current	221,247	80,321
Non-current	267,245	166,620

b) Tax liabilities

	2023	2022
Current tax liabilities	143,590	82,576
Income and social contribution taxes	114,260	47,439
Taxes and contributions on salaries	8,480	7,176
Taxes and contributions on third-party services	8,257	9,003
PIS (Contribution to the Social Integration Program) and COFINS (Contribution for Social Security Contribution) payable	6,917	18,241
Other	5,676	717

Deferred tax liabilities	165,322	20,431
Market to market	165,322	20,431
Total	308,912	103,007
Current	308,912	94,642
Non-current	-	8,365

c) Changes in deferred tax assets and liabilities

	2023	
	Deferred assets	Deferred liabilities
Beginning balance as of December 31	223,673	20,431
Constitution	253,621	144,891
Reversal	(106,357)	-
Final balance as of December 31	370,937	165,322

d) Expected realization of deferred assets

	2023	
	Deferred assets	Present value (i)
Up to 1 year	103,692	90,932
1 - 2 years	34,523	26,549
2 - 3 years	42,361	28,568
3 - 4 years	41,037	24,269
4 - 5 years	71,369	37,014
5 - 10 years	77,955	30,903
Total	370,937	238,235

(i) The present value of tax credits was calculated considering The Master Bank's average funding rate.

15. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

a) Controlled

	2023						
	Banif - Banco Internacional do Funchal (Brasil) S.A. (i)	Banco Master de Investimento S.A.	Master Corretora de Câmbio, Títulos e Valores Mobiliários S.A.	Master Patrimonial Ltd. (ii)	Maximainvest Securitizadora de Créditos Financeiros S.A.	Kovr Participações S.A.	Total
Interest - %	100.0	100.0	100.0	99.99	99.5	76.91	
Number of quotas held	3,946,167,305	5,919,842	1,755,147	37,205,043	26,750,000	20,423,248	
Capital	1,167,479	47,000	43,588	37,205	26,750	150,949	
Shareholders' Equity	309,792	1,406	31,840	259,836	216	193,631	
Income / (loss) for the six-month period	292,300	(22,296)	(7)	37,087	(717)	51,595	
Amount of the investment	309,792	1,406	31,840	259,810	215	148,922	751,985
Equity income for the semester	292,300	(22,296)	(7)	37,083	(717)	39,671	346,034

						2022
	Banco Master de Investimento S.A.	Master Corretora de Câmbio, Títulos e Valores Mobiliários S.A.	Master Patrimonial Ltd. (ii)	Maximainvest Securizadora de Créditos Financeiros S.A.	Kovr Participações S.A.	Total
Interest - %	100.0	100.0	99.99	100.0	82.35	
Number of quotas held	5,919,842	1,755,147	34,950,000	26,550,000	20,211,616	
Capital	47,000	43,588	37,205	26,550	137,277	
Shareholders' Equity	23,703	31,848	222,748	733	132,690	
Income / (loss) for the six-month period	(11,003)	7,256	366,722	(3,338)	40,911	
Amount of the investment	23,703	31,847	222,726	733	109,270	388,279
Equity income for the semester	(2,503)	7,256	366,705	(3,338)	28,782	396,902

- (i) On July 19, 2023, the Central Bank of Brazil approved the transfer of Banif's shareholding control to Banco Master S.A., according to a purchase and sale agreement entered into on November 12, 2021. In the period before acquisition, there were tax credit balances not recognized as assets because no tax profit was expected, and in 2023 those credits were recognized as assets, because controlling interest was transferred to Banco Master and the business plan with expected results was recognized as assets. As of December 31, 2023, deferred income tax totals R\$210,073 and deferred social contribution tax is R\$168,058.
- (ii) Grupo Master company qualified to provide financial advisory and advisory services. In 2023, revenues from rendered services totaled R\$75,000 (R\$530,000 in 2022).

b) Related

In March 2022, the Interbank Payment Chamber (CIP) was demutualized. The not-for-profit association underwent a spin-off whose part of the equity was incorporated into a new CIP S.A., for profit. The Master has an interest of 0.4902% and the investment according to the valuation report is R\$9,390 (R\$9,390 as of December 31, 2022).

16. PROPERTY AND EQUIPMENT IN USE

					2023
	Annual depreciation - %	Cost	Accumulated depreciation		Liquid Value
Facilities	10	3,182	(1,374)		1,808
Furniture and equipment in use	10	3,277	(1,248)		2,029
Right of use	10	10,845	(10,402)		443
Data processing system	20	1,043	(816)		227
Communication system	10	307	(99)		208
Leasehold improvements	10	186	(66)		120
Total		18,840	(14,005)		4,835

					2022
	Annual depreciation - %	Cost	Accumulated depreciation		Liquid Value
Facilities	10	2,957	(1,065)		1,892
Furniture and equipment in use	10	2,358	(955)		1,403
Right of use	10	10,845	(8,352)		2,493
Data processing system	20	840	(636)		204
Communication system	10	259	(45)		214
Leasehold improvements	10	186	(48)		138
Total		17,445	(11,101)		6,344

17. DEPOSITS

				2023
	Demand deposits	Time deposits (i)	interbank deposits	Total
Without maturity	581,630	-	-	581,630
Up to 30 days	-	293,804	-	293,804
31-60 days	-	281,742	28,603	310,345
61-90 days	-	240,592	50,214	290,806
91 to 180 days	-	1,281,091	231,549	1,512,640
181-360 days	-	2,478,435	141,582	2,620,017
Over 360 days	-	22,220,637	2,704,249	24,924,886
Total	581,630	26,796,301	3,156,197	30,534,128
Current				5,609,242
Non-current				24,924,886

				2022
	Demand deposits	Time deposits (i)	interbank deposits	Total
Without maturity	77,864	-	-	77,864
Up to 30 days	-	240,884	12,000	252,884
31-60 days	-	241,168	-	241,168
61-90 days	-	82,164	-	82,164
91 to 180 days	-	404,024	-	404,024
181-360 days	-	771,546	-	771,546
Over 360 days	-	15,712,272	131,767	15,844,039
Total	581,630	17,452,058	143,767	17,673,689
Current				1,829,650
Non-current				15,844,039

- (i) CDBs (certificates of bank deposit) are issued at rates applied to floating transactions ranging from 80% to 140% of the interbank deposit rate, (80% and 140% as of December 31, 2022), in fixed-rate transactions between 3.5% and 16.9% (3.5% and 16.9% as of December 31, 2022) and in hybrid transactions of which 100% of the IPCA plus fixed rate between 2.25% and 9.48% (1.2% and 8.6% as of December 31, 2022).

18. MONEY MARKET BORROWINGS

a) Portfolio breakdown

	2023		2022	
	Up to 3 months	Total	Up to 3 months	Total
Own portfolio				
Financial Treasury Bills - LFTs	623,374	623,374	371,728	371,728
National Treasury Bills - LTN	236,973	236,973	66,142	66,142
National Treasury Notes - NTN	64,678	64,678	62,974	62,974
Third-party portfolio				
National Treasury Notes - NTN	-	-	6,950	6,950
Total	925,025	925,025	507,794	507,794
Current		925,025		507,794
Non-current		-		-

b) Income from market funding

	2nd Semester 2023	2023	2022
Time deposit expenses	(1,603,924)	(3,035,710)	(1,580,621)
Real estate credit bill expenses	(172,104)	(180,883)	(25,544)
Expenses on contributions to the credit guarantor fund	(85,072)	(137,406)	(61,810)
Expenses from Interbank deposits	(74,319)	(103,529)	(4,051)
Expenses from money market repurchase agreements	(43,284)	(81,016)	(47,039)
Expenses on financial bills	(5,101)	(5,924)	-
Total	(1,983,804)	(3,544,468)	(1,719,065)

19. SECURITIES ISSUED

	2023				
	Within 3 months	From 3 to 12 months	Within one to three years	Over five years	Total
Real estate credit bills - LCI	3,945	597,107	163,474	-	764,526
Financial bills - LF	-	-	22,307	464,180	486,487
Total	3,945	597,107	185,781	464,180	1,251,013

Current	601,052
Non-current	649,961

	2022				
	Within 3 months	From 3 to 12 months	Within one to three years	Over five years	Total
Real estate credit bills - LCI	62,970	110,864	14,687	-	188,521
Total	62,970	110,864	14,687	-	188,521

Current	173,834
Non-current	14,687

LCIs are issued at rates applied to floating transactions ranging from 92% to 103% of the interbank deposit rate (91% and 120% as of December 31, 2022) and fixed transactions between 9.30% and 12.7% (4.3% and 12.7% as of December 31, 2022). Financial statements are issued for floating transactions at 115% of the interbank deposit certificate rate and in hybrid transactions accounting for 100% of the IPCA, and fixed rates between 6.5% and 8.00%.

20. DEBT INSTRUMENTS ELIGIBLE FOR CAPITAL

	2023		2022	
	Over five years	Total	Over five years	Total
Subordinated financial bills	16,976	16,976	16,237	16,237
Total	16,976	16,976	16,237	16,237

Current	-	-
Non-current	16,976	16,237

21. CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS

a) Contingent assets

As of December 31, 2023 and 2022, there were no contingent assets.

b) Legal liabilities - tax and social security

As of December 31, 2023 and 2022, there were no legal obligations.

c) Contingencies classified as probable are regularly provided for and total:

	Provision		Judicial deposits	
	2023	2022	2023	2022
Labor contingencies	1,712	1,887	505	1,018
Tax contingencies	-	-	828	843
Civil contingencies	2,802	2,610	4,192	2,601
Administrative contingencies (i)	-	2,944	1,179	9
Total	4,514	7,441	6,704	4,471
Current	-	-	-	-
Non-current	4,514	7,441	6,704	4,471

(i) Consists of a statement of commitment without assuming blame with the Brazilian Securities and Exchange Commission duly provided for and paid in 2023.

d) Changes in provisions for liabilities

	2023				2022			
	Labor	Civil	Administrative	Total	Labor	Civil	Administrative	Total
Beginning balance as of December 31	1,887	2,610	2,944	7,441	1,519	2,176	-	3,695
Constitutions	1,263	2,906	-	4,169	917	1,738	2,944	5,599
Low	(1,451)	(3,133)	(2,944)	(7,528)	(665)	(1,390)	-	(2,055)
Adjustment for inflation	13	419	-	432	116	86	-	202
Final balance as of December 31	1,712	2,802	-	4,514	1,887	2,610	2,944	7,441

e) Principal lawsuits and proceedings whose losses were considered as possible

	2023	2022
Labor	39,493	1,913
Tax	79,653	74,786
Civil	64,242	48,218
Administrative	316	294
Total	183,704	125,211

The main civil proceedings (possible) are as follows:

- Lawsuit seeking the annulment of the out-of-court enforcement of the bank's consolidated security agreement to settle the debtors' debts;
- Action to revoke the attachment order revoked on the Bank's guarantee.
- Repeated actions for the review of payroll loan interest in proceedings that address consumer law.

The main tax proceedings (possible) are as follows:

- Enforcement of tax debts consisting of the collection of a fine for late filing of the CPMF return;
- Administrative proceeding established by the Brazilian Federal Revenue Service to control the IRPJ and CSLL debts supposedly charged on the indemnity to be paid by CEEE;
- Supposed PIS and COFINS debts (demutualization - BM&F);
- Notice of deficiency in foreign exchange transactions required by the Withholding Income Tax (IRRF).

22. SHAREHOLDERS' EQUITY

a) Capital

As of December 31, 2023, subscribed share capital totaled R\$1,660,885 thousand, consisting of a total of 176,537,848 registered shares, divided into 140,828 ordinary shares and 35,709,754 preference shares with no par value. On that date the total paid-in amount is R\$1,452,885 thousand. Additional information about the capital under approval and other capitalizations disclosed in note 2.

As of December 31, 2022, subscribed share capital totaled R\$1,160,885 thousand, consisting of a total of 128,676,103 registered shares, divided into 96,582,413 ordinary shares and 32,093,690 preference shares all with no par value. On that date the total paid-in amount is R\$1,135,885 thousand.

b) Profit reserves

The Master Bank's profit reserve account consists of legal reserve and special revenue reserve. The balance of profit reserves may not exceed Banco Master's share capital, and any surplus should be capitalized or distributed as dividends. As of December 31, 2023 the revenue reserve was R\$889,041 (R\$393,032 as of December 31, 2022). Banco Master did not have other revenue reserves as of December 31, 2023 and 2022.

Legal reserve - Under Law 11.638/07, The Master Bank must allocate 5% of net income for each year to the legal reserve. The statutory reserve may not exceed 20% of Banco Master's paid-in capital. As of December 31, 2023 the statutory reserve was R\$75,509 (R\$53,515 as of December 31, 2022).

Special revenue reserve - Pursuant to Law 11.638/07, the by-laws may set up reserves, provided that it determines its purpose, the percentage of profit to be allocated to these reserves and the maximum amount to be kept in each reserve. The allocation of funds to these reserves may not be approved as a loss of the non-discretionary dividends.

c) Dividends and interest on own capital

Shareholders are entitled to minimum non-discretionary dividends, and may also be distributed as interest on equity capital corresponding to 25% of the period's profit, less the portion allocated to the legal reserve. On December 31, 2023 R\$91,900 of proposed interest on equity capital was decided on. (As of December 31, 2022, no dividends or interest on equity capital were decided on).

23. INCOME FROM SALE OR TRANSFER OF FINANCIAL ASSETS

Consists of proceeds from the sale of credit assets on the transfer of risks and definitive benefits as of December 31, 2023 R\$562,328 from the payroll loan portfolio (R\$199,539 as of December 31, 2022), and R\$277,188 of the court-ordered (R\$0 as of December 31, 2022).

24. LOAN INCOME

	2nd Semester 2023	2023	2022
Income from loans	1,003,417	1,722,436	879,203
Income from discounted credit rights	498,084	974,341	785,003
Recovery of loans written off as loss	3,499	6,747	11,293
Income from housing financing	1,045	1,980	8,427
Income from financing of real estate projects	368	766	3,077
Income from other financing	408	919	946
Income from advances to depositors	-	-	57
Total	1,506,821	2,707,189	1,688,006

25. PERSONNEL EXPENSES

	2nd Semester 2023	2023	2022
Salaries	(46,182)	(84,079)	(59,351)
Social charges	(15,916)	(29,732)	(17,591)
Benefits	(11,670)	(21,647)	(16,601)

Director's fees expenses	(4,940)	(8,534)	(5,922)
Other personnel expenses	(791)	(1,562)	(1,811)
Total	(79,499)	(145,554)	(101,276)

26. OTHER ADMINISTRATIVE EXPENSES

	2nd Semester 2023	2023	2022
Financial system services	(227,104)	(372,212)	(275,864)
Specialized technical services	(175,320)	(334,605)	(271,262)
Data processing	(59,831)	(120,175)	(51,634)
Outsourced services	(59,893)	(101,540)	(120,003)
Traveling	(22,869)	(43,040)	(30,942)
Advertising and publicity	(12,721)	(29,720)	(44,444)
Insurance	(14,038)	(25,357)	(10,989)
Rentals	(5,793)	(8,320)	(7,317)
Depreciation	(1,446)	(2,904)	(2,909)
Other administrative expenses	(19,057)	(36,377)	(33,774)
Total	(598,072)	(1,074,250)	(849,138)

Information about our independent auditors' fees is posted on the Bank's website.

27. TAX EXPENSES

	2nd Semester 2023	2023	2022
COFINS	(31,173)	(77,746)	(51,860)
PIS	(5,066)	(12,634)	(8,427)
Municipal taxes	(5,916)	(7,224)	(7,526)
ISS	(2,233)	(4,012)	(3,658)
IOF	(1,490)	(3,590)	(4,448)
Federal taxes	(2,204)	(4,225)	(7,796)
Other tax expenses	(3,807)	(5,859)	(312)
Total	(51,889)	(115,290)	(84,027)

28. OTHER OPERATING INCOME (EXPENSES)

	2nd Semester 2023	2023	2022
Other operating income			
Reversal of expected losses associated with credit risk under amounts receivable - surtax (i)	76,829	105,329	105,737
Income from loans linked to BACEN	76,969	96,127	-
Reversal of expected losses associated with credit risk under receivables funds - surtax (ii)	46,905	87,921	-
Reversal of contingencies	2,941	7,662	6,876
Dividend income	4,809	4,809	-
Reversal of provision for profit sharing	381	381	15,614
Other operating income	1,678	5,016	2,758
Total	210,512	307,245	130,985

Other operating expenses

Expected loss on credit risk on amounts receivable - additional (ii)	(67,861)	(129,451)	(141,039)
--	----------	-----------	-----------

Costing expenses	(9,603)	(16,397)	(6,406)
Fines (iii)	(20,471)	(26,560)	(19,622)
Expected loss on credit risk under receivables funds - surtax (ii)	38,057	(14,476)	(138,122)
Provision for share agreement - Kovr Participações	(3,703)	(13,592)	-
Expenses on the sale of the certificate of sale	(12,707)	(12,707)	-
Contingency expenses	(2,634)	(4,736)	(10,622)
Provision for employers - Payroll deductible loan	-	(3,327)	(10,468)
Expenses on the assignment of receivables	-	(1,053)	(41,550)
Other operating expenses	(23,640)	(38,492)	(2,105)
Total	(102,562)	(260,791)	(369,934)

- (i) Reversals of the provisioning made for the settlement of receivables.
(ii) Accrual of a credit allowance according to the likelihood of expected loss on transactions.
(iii) Fines paid in 2022 basically consist of administrative taxes and contribution taxes in installments.

29. STATEMENT OF THE INCOME AND SOCIAL CONTRIBUTION TAXES CALCULATION BASE

	2nd Semester 2023	2023	2022
Income before taxes	163,169	616,721	63,318
Interest on equity capital	(37,450)	(91,900)	-
Profit (loss) for the period before the effects of IRPJ and CSLL	125,719	524,821	63,318
Current rate - corporate income tax	25%	25%	25%
Current rate - social contribution	20%	20%	20%
Estimate of corporate income tax expense	(31,430)	(131,205)	(15,830)
Estimate of CSLL expense	(25,144)	(104,964)	(12,664)
Permanent differences	134,637	151,236	176,003
Share of profit (loss) from associates and subsidiaries	136,836	155,715	178,606
Other adjustments	(2,199)	(4,479)	(2,603)
Income tax and social contribution	78,063	(84,933)	147,509

30. RELATED PARTY TRANSACTIONS

Related parties are its associates and controlled entities, their shareholders, companies related to them, their managers, board members and other key management personnel and their family members, according to the definitions established by CPC Technical Pronouncement 05, approved by the CMN through Resolution No. 4.636/18, consolidated by Resolution No. 4.818/20.

During the year ended December 31, 2023, management compensation totaled R\$8,533 (R\$5,922 in the year ended December 31, 2022). Banco Master does not compensate its managers with post-employment benefits, long-term benefits and share-based payments.

Related party transactions consist of:

	2023		2022	
	Associates and controlled entities	Key management personnel	Associates and controlled entities	Key management personnel
ASSETS	6,269	32,626	135,380	49,624
Loan transactions	-	2,484	-	1,934
Prepaid expenses	-	30,142	-	47,690
Other assets - Sundry	6,269	-	-	-
Income receivable - dividends	-	-	135,380	-
PASSIVE	3,112,828	200,983	116,152	306,381
Cash deposits	118,232	10,502	13,007	7,154
Interbank deposits	2,982,107	-	12,000	-

Time deposits	12,489	173,505	91,145	282,990
Debt instruments eligible for capital	-	16,976	-	16,237
		2023		2022
RESULT	(112,872)	(85,726)	(3,424)	(79,480)
Market funding transactions - DI	(86,128)	-	(236)	-
Money market transactions - CDB	(26,744)	(9,883)	(3,188)	(7,009)
Money market transactions - LF	-	(2,400)	-	(2,949)
Other administrative expenses	-	(73,443)	-	(69,522)

31. RISK AND CAPITAL MANAGEMENT

a) Introduction and overview

The Prudential Master Conglomerate (a leading institution, Banco Master) is exposed to credit, market, liquidity and operational risks, which are continuously monitored and managed by the risk department and by the lead institution's management.

As of December 31, 2023 the Prudential Master Conglomerate consists of Banco Master S.A., Master Corretora de Câmbio, Títulos e Valores Mobiliários S.A., Banco Master de Investimento S.A., Banif - Banco Internacional do Funchal (Brasil), Maximainvest Securitizadora de Créditos Financeiros S.A. and City 02 - Non-Standard Receivables Investment Fund, MN Fundo de Investimento em Direitos Creditórios Não Padronizados, Máxima Fundo de Investimento Multimercado Crédito Privado 2, Montenegro Fundo de Investimento Multimercado Crédito Privado, Jeitto Fundo de Investimento em Direitos Creditórios, Amazonita Fundo de Investimento em Direitos Creditórios Não Padronizados, C3E Créditos Judicial Fundo de Investimento em Direitos Creditórios Não Padronizados, Orion Fundo de Investimento em Participações Multiestratégia, Vanguard Fundo de Investimento em Direitos Creditórios Não Padronizado, CMX Realty III Fundo de Investimento Imobiliário, Centercob II Fundo de Investimento em Direitos, Emerald Fundo de Investimento em Direitos Creditórios, CM Advanced XXXII Fundo de Investimento Multimercado Crédito Privado, Buzios Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior, Reag Recebíveis Imobiliários Fundo de Investimento Imobiliários, Credit Rights Investment Fund Não Padronizados Alvarinho, Siracusa Fundo de Investimento Multimercado Crédito Privado, Vatican Fundo de Investimento Multimercado Crédito Privado, Metalfrio Solutions Fundo de Investimento em Direitos Creditórios, Indemnity Investment Fund multiestratégia and Marssani Fundo de Investimento em Direitos Creditórios Não Padronizados.

Risk management framework

The Master Conglomerate's risk management framework is in accordance with Brazilian regulations and is in line with the best market practices. Credit, market, liquidity, operational and underwriting risks are controlled centrally to ensure that risks are managed according to the risk appetite, policies and procedures established by the bank.

The purpose of centralized control is to provide managers and the executive committee with a global view of Banco Master's exposures to optimize and speed up corporate decisions.

b) Operational risk

Operational risk is the possibility of losses arising from failed, deficient, or inadequate internal processes, personnel, systems or external factors.

The Operational Risk Department is in charge of creating and maintaining a risk management process in an integrated manner in the companies belonging to the prudential conglomerate. It also performs, among other duties, controls such as policies, processes and training to track risks associated with the conglomerate's companies. The Operational Risk Department is established by an independent department and is engaged in implementing committees, processes and ensuring the use of robust controls according to the complexity of each department. The operational risk area relies on the losses incurred to identify failures and points of vulnerability. Therefore, it acts in accordance with CMN Resolution No. 4,557/17 and its updates.

c) Credit risk

Definition

Credit risk is the exposure to losses in the event of total or partial default by the counterparties in the fulfillment of their financial obligations with the Master Prudential Conglomerate. Credit risk management seeks to provide subsidies for the definition of strategies, in addition to the establishment of limits, covering the analysis of exposures and trends, as well as the effectiveness of the credit policy.

Credit risk management

Duties:

- Developing and maintaining the Master Bank's credit risk rating to categorize exposures according to the level of risk of financial loss faced by the Bank and focus on management on inherent risks. The risk rating system is used to determine credit exposures. The current risk rating framework includes credit risk levels, and the availability of collateral or other tool to mitigate credit risk.
- Offer expert advice, guidance and techniques to promote best practices all over Banco Master to manage credit risk.

Credit analysis and concession:

- Assess the risks involved in the operations and the ability of clients to settle their obligations under the contracted conditions.
- Formulate credit policies in conjunction with all business units, including collateral required, credit assessment, risk rating, and submission of reports, legal procedures and documentation, as well as compliance with regulatory and statutory requirements.
- Establish the framework for approval and renewal of credit facilities. Limits are defined and approved by the Credit Committee.
- Reviewing and assess credit risk The Credit Department evaluates all credit exposure in excess of set limits, before credit lines are released to clients by the business unit. Renewals and reviews of credit lines are subject to the same review.
- Limiting exposure concentration by counterparty, geographical areas and sectors of the economy and credit rating score, market liquidity and country.

Credit risk control and management:

- Act in a preventive manner to monitor active clients to anticipate default movements in the portfolio of transactions that involve credit risk, support business decisions and strategies and allow the Credit and Executive Committees to monitor compliance with the Master's strategic planning.
- Within its policies for credit risk monitoring and management, the Bank found and entered into credit risk protections within its investment fund structure in a period subsequent to that of the reporting date. The purpose of these protections is to mitigate the possible impacts of certain credit risks/exposures held by the Bank.

d) Liquidity Cliff

Definition

The liquidity risk is assessed according to the difference between the supply and purchase prices of assets.

Liquidity risk management

Liquidity management is performed by the Financial Risks area in an independent manner and aims to protect Banco Master from possible market changes that generate negative impacts on the liquidity flow. Accordingly, Banco Master monitors its portfolios with a focus on terms, volumes and liquidity of its assets.

On a daily basis reports are prepared in which the following items are monitored:

- Maturity mismatch between payments flow and receipts of all conglomerate;
- Concentration of depositors and deposits with daily liquidity.

The area prepares daily cash flows under the effect of stress scenarios with the default variables of its active portfolio and renewal of its funding.

e) Market risk

Definition

Market risks are linked to possible monetary losses due to fluctuations in rates having an impact on prices of financial assets. Oscillations in financial rates, such as prices of raw materials and final products, inflation, interest rates and foreign exchange rates, generate a potential loss for almost all companies.

The management of Market Risks to which the conglomerate is exposed is centrally monitored by the Financial Risk area, which considers the complexity and nature of the financial instruments. The Financial Risk Area operates fully independently and is

responsible for controlling the limits contained in the Risk Appetite Statement (RAS). The Market Risks' Area is responsible for the elaboration, review and control of the limits established in the policies, which in turn are approved by the Bank's Executive Board. Market Risk Control is carried out with the preparation of ratios based on technical methodologies following international calculation standards.

Market risks can be classified into different types, such as interest rate, foreign exchange, commodities price and share price risk. The modalities have specific volatilities which are determined by their primary risk factors, which linked to the exposures assumed generate potential risks of financial losses. Among the Market Risk Management processes are sensitivity analyzes and stress tests. Such tests indicate the potential for loss in the event of market fluctuations.

The potential values and scenarios used are presented in the table below:

Risk Factors	Description	2023		
		Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to exchange rate fluctuations	(393)	(984)	(1,967)
IPCA coupon rate	Exposures subject to fluctuations in fixed interest rates	53	5,301	10,602
Cupom de IGPM	Exposures subject to fluctuations in the rates of IGPM price index coupons	32	3,183	6,366
Total		(308)	7,500	15,001

Risk Factors	Description	2022		
		Scenario 1	Scenario 2	Scenario 3
Foreign currency	Exposures subject to exchange rate fluctuations	(241)	(603)	(1,206)
Interest rate in Brazilian real	Exposures subject to fluctuations in fixed interest rates	2,766	276,603	553,206
IPCA coupon rate	Exposures subject to fluctuations in the rates of IPCA price index coupons	871	87,095	174,189
Cupom de IGPM	Exposures subject to fluctuations in the rates of IGPM price index coupons	98	9,817	19,635
Total		3,494	372,912	745,824

Assumptions for risk factors:

Scenario	Interest curve and coupon exchange rate	Exchange
1	Parallel shock of 0.01% (1 bp) in the market curve	10% increase in exchange rates
2	Parallel shock of 1.00% (100 bps) in the market curve	25% increase in exchange rates
3	Parallel shock of 2.00% (200 bps) in the market curve	50% increase in exchange rates

f) Operating limits - Basel index

In compliance with prevailing regulations and the concepts of the Basel Committee, the Prudential Conglomerate Master group has a capital management framework performed by the financial risk department. The area operates in an integrated manner to ensure that capital is compatible with the business model, complexity and nature of operations. Capital management requires the preparation of a capital forecast in accordance with the plans and goals set on the business planning ("*Business Plan*") with the purpose of checking for possible impacts and the adequacy of capital levels established by the regulatory agency and by the Conglomerate's internal policies

As of December 31, 2023, the Master Bank reached the Basel capital ratio of 11.52% (12.32% as of December 31, 2022), calculated according to the "Prudential Conglomerate", exceeding the minimum Basel capital ratio (10.5%).

	2023	2022
REFERENCE EQUITY (PR)	2,107,422	1,187,911
Common Equity	2,090,446	1,171,674
Capital	1,160,885	760,885
Capital, revaluation and income reserves	964,550	446,547
Retained earnings less core capital except prudential adjustments	(34,989)	(16,146)
Additional capital	16,976	16,237
Prudential adjustments	-	(19,612)
Rwa (Risk weighted assets)	18,286,621	9,639,324
RWA - Credit Risk	14,694,276	7,285,274
CVA - Circular 3.644 BCB	-	59,094
RWA - Market Risk	1,416,268	1,256,416
CVA - BCB Resolution 229	210,415	-

RWA - Operational Risk	1,965,662	1,038,540
Basel ratio	11.52%	12.32%
Basel ratio (minimum requirement)	10.50%	10.50%
Common equity ratio	11.43%	12.16%
Principal Capital Ratio (Minimum Required)	4.50%	4.50%

The Conglomerate discloses every six months information about the management of risks and minimum tier 1 capital + tier II capital requirements. The report with details about assumptions, structure and methodologies is at its electronic address www.bancomaster.com.br/ri.

g) Social and environmental risk and climate risk

The management of Socio-environmental and Climate Risk is established through evaluation mechanisms based on the regulatory framework, whose procedures adopted enable the identification and mitigation of risks associated with the environment, slave-like labor, child labor, among others.

Initiatives to mitigate and identify social and environmental and climate risks are carried out together and in an integrated manner with the three lines of defense in actions whose purpose is to monitor alignment with the foundations of anti-corruption law and specific regulation in the context of social responsibility, with an emphasis on ethical standards in labor relations.

h) Fixed rate

According to BACEN Resolution No. 4.957/21, the limit on the fixed assets allowed is 50.0%. As of December 31, 2023, the fixed assets ratio was 20.15% (29.34% as of December 31, 2022).

32. NON-RECURRING INCOME

	2nd Semester 2023	2023	2022
Net income	241,232	531,788	210,827
Non-recurring events			
Demutualization of the Interbank Payment Chamber (CIP) (note 15)		-	9,390
Recurring net income	241,232	531,788	201,437

33. SUBSEQUENT EVENTS

On December 22, 2023, Banco Master entered into an agreement to acquire 100% of NK 031 Empreendimentos e Participações S.A., the parent company of Banco Voiter S.A. and affiliates. Completion of the acquisition is subject to approval by Bacen and was approved by the Administrative Council for Economic Defense (CADE) on March 14, 2024.

On December 22, 2023, Banco Master entered into an agreement to acquire 100% of JK 031 Empreendimentos e Participações S.A., the parent company of Banco Letsbank S.A. and affiliates. Completion of the acquisition is subject to approval by Bacen and was approved by the Administrative Council for Economic Defense (CADE) on March 14, 2024.