

Politics

2018 Elections

For more information, please read the full notice found at the end of this presentation.



Iana Ferrão

iana.ferrao@btgpactual.com

Phone: +55 (11) 3383 3453

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CANDIDATES

SECTION 1



Personal, educational and political background (summarized version) of 2018 presidential candidates

	Personal	Educational	Political
 <p>Álvaro Dias (PODE) Vice: Paulo Rabello (PSC)</p>	<ul style="list-style-type: none"> • 73 years old • Quatá – MG 	<ul style="list-style-type: none"> • Graduation: History (State University of Londrina) 	<ul style="list-style-type: none"> • City councilor of Londrina (PR) - 1968-1969 • State Deputy (PR) - 1970-1974 • Federal Deputy - 1974-1982 • Senator - 1982-1986 • Governor (PR) - 1986-1989 • Senator - 1998-present
 <p>Cabo Daciolo (PATRI) Vice: Suelene Balduino (PATRI)</p>	<ul style="list-style-type: none"> • 42 years old • Florianópolis – SC 	<ul style="list-style-type: none"> • Graduation: Tourism • Military firefighter (Rio de Janeiro) 	<ul style="list-style-type: none"> • Federal Deputy - 2015-2018
 <p>Ciro Gomes (PDT) Vice: Kátia Abreu (PDT)</p>	<ul style="list-style-type: none"> • 60 years old • Pindamonhangaba – SP 	<ul style="list-style-type: none"> • Graduation: Law (Federal University of Ceará) • Courses: Economy (visiting scholar in Harvard Law School) 	<ul style="list-style-type: none"> • State Deputy (CE) - 1983-1988 • Mayor (CE) - 1989-1990 • Governor (CE) - 1991-1994 • Minister of Finance - 1994-1995 • Minister of National Integration- 2003-2006 • Federal Deputy - 2007-2011 • State Secretary of Health (CE) - 2013-2015

Personal, educational and political background (summarized version) of 2018 presidential candidates

	Personal	Educational	Political
 <p>Fernando Haddad (PT) Vice: Manuela D'Ávila (PC do B)</p>	<ul style="list-style-type: none"> • 58 years old • São Paulo - SP 	<ul style="list-style-type: none"> • Graduation: Law (University of São Paulo) • Master: Economy (University of São Paulo) • Doctorate: Philosophy (University of São Paulo) 	<ul style="list-style-type: none"> • Minister of Education - 2005-2008 • Minister of Education - 2008-2012 • Mayor (SP) - 2013-2016
 <p>Geraldo Alckmin (PSDB) Vice: Ana Amélia (PP)</p>	<ul style="list-style-type: none"> • 65 years old • Pindamonhangaba – SP 	<ul style="list-style-type: none"> • Graduation: Medicine (University of Taubaté) • Specialization: Anesthesiology (Medical Assistance Institute for Civil Servants) 	<ul style="list-style-type: none"> • City councilor and mayor of Pindamonhangaba (SP) - 1973-1982 • State Deputy (SP) - 1983-1987 • Federal Deputy - 1987-1994 • Vice-Governor (SP) - 1995-2001 • Governor (SP) - 2001-2006 • State Secretary of Development (SP) - 2009-2010 • Governor (SP) - 2011-present
 <p>Guilherme Boulos (PSOL) Vice: Sonia Guajajara (PSOL)</p>	<ul style="list-style-type: none"> • 36 years old • São Paulo - SP 	<ul style="list-style-type: none"> • Graduation: Philosophy (University of São Paulo) 	<ul style="list-style-type: none"> • President of MTST - 2002-present

Personal, education and political background (summarized version) of 2018 presidential candidates



Henrique Meirelles (MDB)

Vice: Germano Rigotto (MDB)

Personal

- 73 years old
- Anápolis - GO

Educational

- **Graduation: Civil Engineer** (University of São Paulo)
- **MBA: Business** (Federal University of Rio de Janeiro)
- **Courses: Advanced Management Program** (Harvard Business School)

Political

- **Federal Deputy** - 2002
- **Central Bank Governor** - 2003-2011
- **Minister of Finance** - 2016-2018



Jair Bolsonaro (PSL)

Vice: General Mourão (PRTB)

- 63 years old
- Campinas – SP

- **Graduation: Physical Education** (Army Physical Education School)
- **Soldier** (Agulhas Negras Military Academy)

- **City councilor of Rio de Janeiro (RJ)** - 1989-1991
- **Federal Deputy** - 1991-present



João Amêdo (NOVO)





Vice: Christian Lohbauer (NOVO)

- 55 years old
- Rio de Janeiro - RJ



- **Graduation: Civil Engineer** (Federal University of Rio de Janeiro)
- **Graduation: Business** (Pontifical Catholic University of Rio de Janeiro)

- **Chairman of NOVO party** - 2015-2017



Personal, education and political background (summarized version) of 2018 presidential candidates

	Personal	Educational	Political
 João Vicente Goulart (PPL) Vice: Leo Alves (PPL)	<ul style="list-style-type: none"> 61 years old Rio de Janeiro - RJ Philosopher and writer 	<ul style="list-style-type: none"> Graduation: Philosophy (Pontifical Catholic University of Rio Grande do Sul) 	<ul style="list-style-type: none"> State Deputy (PR) - 1982-1986
 José Maria Eymael (DC) Vice: Helvio Costa (DC)	<ul style="list-style-type: none"> 78 years old Porto Alegre - RS Lawyer 	<ul style="list-style-type: none"> Graduation: Philosophy (Pontifical Catholic University of Rio Grande do Sul) Graduation: Law (Pontifical Catholic University of Rio Grande do Sul) 	<ul style="list-style-type: none"> Federal Deputy - 1986-1995 Chairman of DC party - 1997-present
 Marina Silva (REDE) Vice: Eduardo Jorge (PV)	<ul style="list-style-type: none"> 60 years old Rio Branco – AC Historian, teacher, psychology-pedagogy and environmentalist 	<ul style="list-style-type: none"> Graduation: History (Federal University of Acre) Post-graduation: Psychoanalytic theory (University of Brasília) Post-graduation: Psychology-pedagogy theory (Catholic University of Brasília) 	<ul style="list-style-type: none"> City councilor of Rio Branco (AC) - 1989-1990 State Deputy (AC) - 1987-1991 Senator - 1995-2011 Social Environment Minister - 2003-2008
 Vera Lúcia (PSTU) Vice: Hertz Dias (PSTU)	<ul style="list-style-type: none"> 50 years old Inajá - PE Sociologist and educator 	<ul style="list-style-type: none"> Graduation: Social Sciences (Federal University of Sergipe) 	<ul style="list-style-type: none"> Founder of party PSTU – 1994

Proposals of presidential candidates

Candidates	General	Social Security Reform	Tax reform	Privatizations	Additional proposals
 Jair Bolsonaro (PSL)	<ul style="list-style-type: none"> - Plans to maintain the macroeconomic tripod (fiscal- and inflation-targeting regime plus floating exchange rate) and simplify Brazil's tax system. - Plans to reduce the volume of public debt by 20% via privatizations, concessions and sale of federal government real estate. - Plans to eliminate primary public deficit in first year of government and convert it into a surplus in second year. 	<ul style="list-style-type: none"> - Plans to gradually change pension model: from distribution to capitalization. New participants will be able to choose between the two systems. Those who opt for capitalization will 'earn' the benefit of lower labor charges. - Shortage of resources caused by transition from one regime to another will be remedied by creating a fund to strengthen social security financing and offset the reduction of social security contributions in the old system. 	<ul style="list-style-type: none"> - Defends simplifying and unifying federal taxes and decentralizing and 'municipalizing' taxes. - Opposes taxing large fortunes and inheritances and new taxes on entrepreneurs. 	<ul style="list-style-type: none"> - Plans to implement a wide-sweeping privatization program. - All resources from privatizations and concessions must be used to pay public debt. 	<ul style="list-style-type: none"> - Plans to create Economy Ministry, covering functions currently performed by the Finance, Planning and Trade Ministries, as well as the Executive Secretariat of the PPI (Investment Partnership Program). - Will strive to approve in Congress: (i) legal coverage to military actions in combatting crime; (ii) reducing criminal age to 16 years; (iii) a more flexible Disarmament Statute; and (iv) measures facilitating the possession of weapons by law-abiding citizens.
 Fernando Haddad (PT)	<ul style="list-style-type: none"> - Believes the State must be a driver of growth. - Plans to implement emergency measures to exit the crisis: e.g. reducing interest rates, creating credit lines with interest and affordable terms, focused on families; creating an Emergency Job Plan; and kick-starting the MCMV low-income housing subsidy program. - Plans to hold referendums to revoke Temer government measures, such as amending spending ceiling, labor reform and changes in pre-salt regulatory framework. 	<ul style="list-style-type: none"> - Believes social security accounts can be balanced by resuming job creation, formalizing all economic activities, expanding tax revenues and combatting tax evasion. Will also adopt measures to combat 'social security privileges'. - Plans to equate the regimes of the Union, the States and the Municipalities over a general regime. 	<ul style="list-style-type: none"> - Plans to simplify tax system by creating Value Added Tax (IVA), with a cut in current taxes and a higher IVA tax rate. - Income tax exemption for those earning up to 5 minimum wages. - Tax large financial transactions, profits and dividends and large assets. - Adopt progressive taxation on banks, with lower rates for banks offering credit at a lower cost and longer duration. 	<ul style="list-style-type: none"> - Plans to suspend sale of Petrobras assets. - Review Embraer/Boeing accord and possible sales of Eletrobras + Petrobras assets. 	<ul style="list-style-type: none"> - Change on the adjustment policy of the minimum wage, based on inflation. - Multiply Public Private Partnerships (PPPs). One proposal is a PPP to replace public lighting, replacing conventional lamps with LED (brighter and lower consumption). - Adopt rules to control inflow of speculative capital and deter FX volatility. - Stimulate re-industrialization, with public banks playing a key role in financing.

Proposals of presidential candidates

Candidates	General	Social Security Reform	Tax reform	Privatizations	Additional proposals
 <p>Geraldo Alckmin (PSDB)</p>	<ul style="list-style-type: none"> - In order for Brazil to recover, he defends a smaller State, fiscal adjustments ASAP, a tax reform simplifying tax revenues and more trade deregulation. - His planned fiscal adjustment involves cutting expenses and resuming economic growth, without raising taxes. - Says he will eliminate the primary fiscal deficit in two years. 	<ul style="list-style-type: none"> - Said he will implement the reform in the first year of his mandate. - Favors a reform very similar to the one proposed by the Temer administration, with: (i) a single regime for civil servants and the private sector (INSS ceiling would be maximum benefit; above the ceiling, it will be optional an additional pension plan); (ii) a minimum retirement age; and (iii) a longer contribution period. - Says capitalization system is unviable because of its high tax costs. 	<ul style="list-style-type: none"> - Favors simplifying the tax model, creating a Value Added tax (IVA) with a single rate (charged at destination) to replace ICMS, ISS, PIS, Cofins and IPI. - Wants to cut corporate income tax to spur more investments. - Defends taxing dividend payments and ending income tax exemption on investments in LCIs and LCAs, respectively real estate and agrobusiness letters of credit. 	<ul style="list-style-type: none"> - Supports privatizations but would not sell Petrobras or state-owned banks Banco do Brasil and Caixa Econômica Federal. - Wants to limit Petrobras' activities to oil prospecting. Will end the oil company's monopoly, selling distributors and the company's post salt fields. 	<ul style="list-style-type: none"> - Defends keeping the spending ceiling 'as is' but says that it may be reviewed in two years. - Wants to open up Brazil's economy and lead foreign trade to represent 50% of GDP. - Will prioritize infrastructure investments in partnership with the private sector. - Wants to reduce # of Senators from three to two per state and reduce the # of federal and state deputies. - Decentralize power and give more autonomy to states and municipalities.
 <p>Ciro Gomes (PDT)</p>	<ul style="list-style-type: none"> - Believes the State should be the growth driver. Plans to implement a National Development Project, focused on combating deindustrialization. - Wants to change the pillars of the macroeconomic tripod: in FX, let the rate oscillate, with lower volatility, around a competitive threshold for domestic industry; in interest rates, commit to reduce the base rate, in line with the fiscal adjustment; adopt a dual mandate for the Central Bank, setting two targets: inflation and unemployment rates. 	<ul style="list-style-type: none"> - Defends capitalization model and proposes a single, unified social security system controlled by risk rating agencies. Defends a program combining minimum income (up to 1 MW), distribution (up to 3.5 MW) and capitalization (for more than 3.5MW). 	<ul style="list-style-type: none"> - Wants to implement a tax package as the basis for a fiscal adjustment, with the creation of a Value Added Tax (IVA) charged on the product's destination, taxing the payment of profits and dividends, increasing taxation on inheritances and donations and 15% in the Union's tax relief. Create a divided tax with states and municipalities with a rate of 0.38% on financial transactions above R\$2,000 per month. 	<ul style="list-style-type: none"> - Doesn't oppose privatizations, in principle, but opposes the sale of strategic companies like Petrobras and Eletrobras. If Eletrobras is sold by Temer administration, he will reverse the deal. - Promises to expropriate certain oil fields auctioned during the Temer government. - Wants to suspend the Embraer-Boeing accord. Wants Brazil's government to hold a "golden share" in Embraer, with the right to veto decisions 	<ul style="list-style-type: none"> - Says he will create the Clean Record program, clearing the name of 63 million people in the SPC and Serasa payment default entities. This would be done via renegotiation, discounting fines and corrections. - Defends gasoline prices between \$2.80 and \$3.00 per liter. Criticizes Petrobras' pricing policy and says the government must protect gasoline from "market speculation". - Said he will use US\$200bn of international reserves to pay 9% of domestic debt.

Proposals of presidential candidates



Marina Silva
(REDE)

Candidates	General	Social Security Reform	Tax reform	Privatizations	Additional proposals
	<ul style="list-style-type: none"> - Says the creation of "decent jobs" will be the focus of economic policy. - Wants to prioritize infrastructure works (mainly sanitation and transport), with rapid, strong creation of payroll jobs, favoring economy's growth prospects in the medium and long term. - Wants to control public spending, not allowing it to rise above the 50% of GDP growth limit. 	<ul style="list-style-type: none"> - Favors unifying public and private sector rules and introducing elements of a capitalization regime into the new proposal. - Set minimum age at 65 for men and 62 for women, with a transition period that will not hurt who is about to retire. - Eliminate privileges of social security beneficiaries who joined the system pre-2003, with a transition process to a mixed system of contribution and capitalization, implemented with fiscal responsibility. 	<ul style="list-style-type: none"> - Favors a Tax on Goods and Services (IBS), basically an amalgamum of the PIS, Cofins, IPI, ICMS and ISS taxes. - Wants to tax payment of dividends, cut corporate income tax, raise inheritance tax, with progressive exemptions, and increase IPTU (property) taxable base. - Wants to raise inheritance tax, as per the coordinators of her government economic program. - Wants to cut taxes on medical drugs. 	<ul style="list-style-type: none"> - Will not privatize Petrobras, Caixa Econômica Federal or Banco do Brasil. - Says privatizations will not be treated dogmatically. On Eletrobras, she says its privatization will be analyzed in the context of Brazil's national energy policy, which must modernize strategies to incorporate renewable energy sources. Believes Petrobras' distributors must be sold to the private sector. 	<ul style="list-style-type: none"> - Central Bank should have autonomy in setting monetary policy. But does not propose institutionalized independence. - Against Petrobras' pricing policy and says the readjustment in refinery-gate prices shouldn't be passed on to consumers on a daily basis. Believes Petrobras must be integrated with the market economy but have mechanisms to assimilate variations in the oil prices. - In favor of PPPs and concessions. To avoid corruption in public works, she says "guarantee insurance" must be taken out for public works.

COALITIONS

SECTION 2



PSDB and PT have 44% and 19% of TV time

Division of TV/radio campaign time between presidential candidates

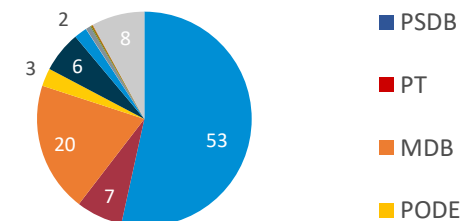
Candidates	Coalitions	Election Advertisement for each of the 2 blocks Tuesdays, Thursdays and Saturdays	Insertions 30 sec, frequency	Number of insertions 30 seconds, in the 35-day period of TV/radio	Election Advertisement % of total
Geraldo Alckmin	PSDB , PRB, PP, PTB, PR, PPS, DEM, PSD, SD	5'32"	> 12 times per day	434	44.3
Fernando Haddad	PT , PC do B, PROS	2'23"	> 5 times per day	189	19.2
Henrique Meirelles	MDB , PHS	1'55"	> 4 times per day	151	15.4
Álvaro Dias	PODE , PSC, PTC, PRP	40"	~ 3 every 2 days	53	5.4
Ciro Gomes	PDT , AVANTE	38"	~ 3 every 2 days	51	5.2
Marina Silva	REDE , PV	21"	~ 4 every 5 days	29	2.9
Guilherme Boulos	PSOL , PCB	13"	~ 1 every 2 days	17	1.8
José Maria Eymael	DC	8"	~ 1 every 3 days	12	1.2
Cabo Daciolo	PATRI	8"	~ 1 every 3 days	11	1.2
Jair Bolsonaro	PSL , PRTB	8"	~ 1 every 3 days	11	1.2
João Amoêdo	NOVO	5"	~ 1 every 4 days	8	0.8
Vera Lúcia	PSTU	5"	~ 1 every 4 days	8	0.8
João Goulart Filho	PPL	5"	~ 1 every 5 days	7	0.8

PSDB governs over 50% of city halls

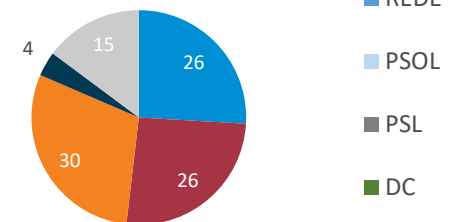
City halls, state governments and coalitions' public funds

Candidates	Coalitions	City halls Total	State governments Total	FEFC +FP ¹ R\$ millions
Geraldo Alckmin	PSDB , PRB, PP, PTB, PR, PPS, DEM, PSD, SD	2960	7	1225
Fernando Haddad	PT , PC do B, PROS	387	7	421
Henrique Meirelles	MDB , PHS	1084	8	360
Álvaro Dias	PODE , PSC, PTC, PRP	150	0	133
Ciro Gomes	PDT , AVANTE	342	1	119
Marina Silva	REDE , PV	107	0	54
Guilherme Boulos	PSOL , PCB	2	0	40
José Maria Eymael	DC	8	0	0
Cabo Daciolo	PATRI	13	0	0
Jair Bolsonaro	PSL , PRTB	39	0	24
João Amoêdo	NOVO	0	0	2
Vera Lúcia	PSTU	0	0	4
João Goulart Filho	PPL	5	0	4

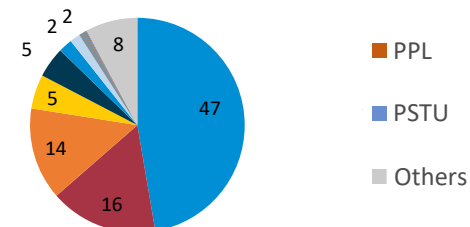
City halls (% of total)



State governments (% of total)



FEFC + FP (% of total)



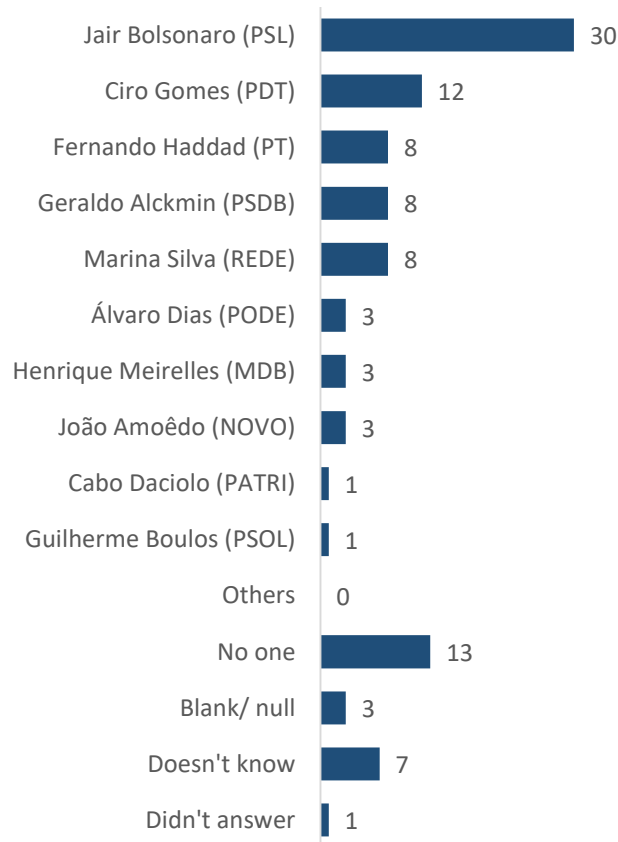
POLLS

SECTION 3



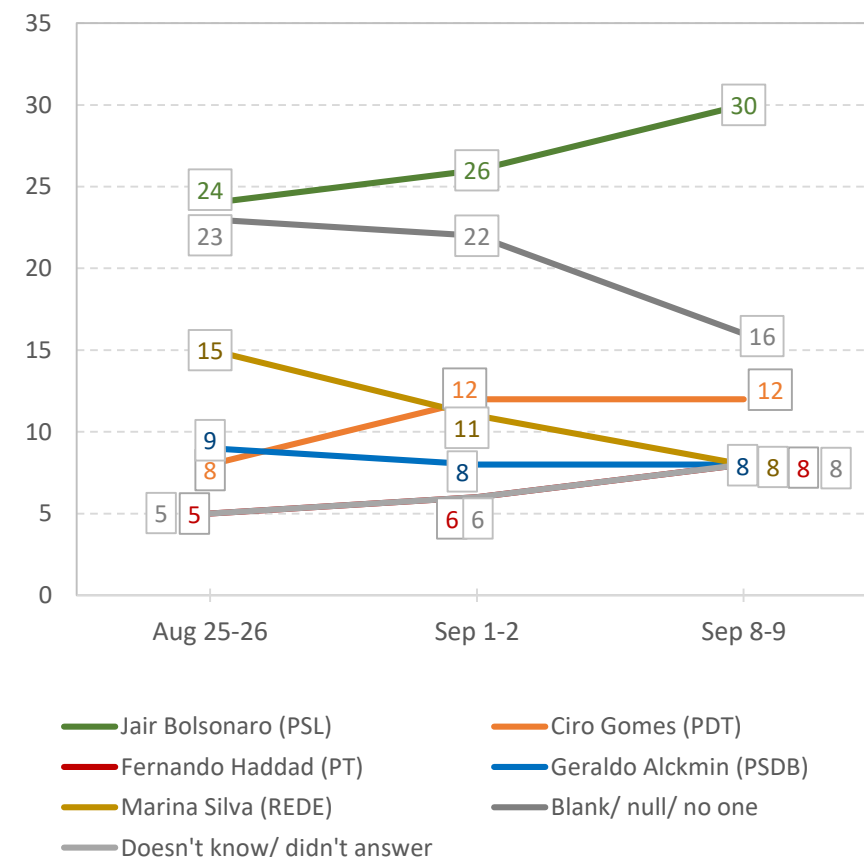
Bolsonaro and Ciro Gomes leads voting intentions

- Geraldo Alckmin (PSDB) and Fernando Haddad (PT) have the most potential to increase their voting intentions during the TV/radio campaign period.
- The low voting intentions for Haddad in stimulated polls can be underestimated since he is not yet identified as the candidate supported by the former president Lula.



Voting intentions for 1st round of Presidential Election

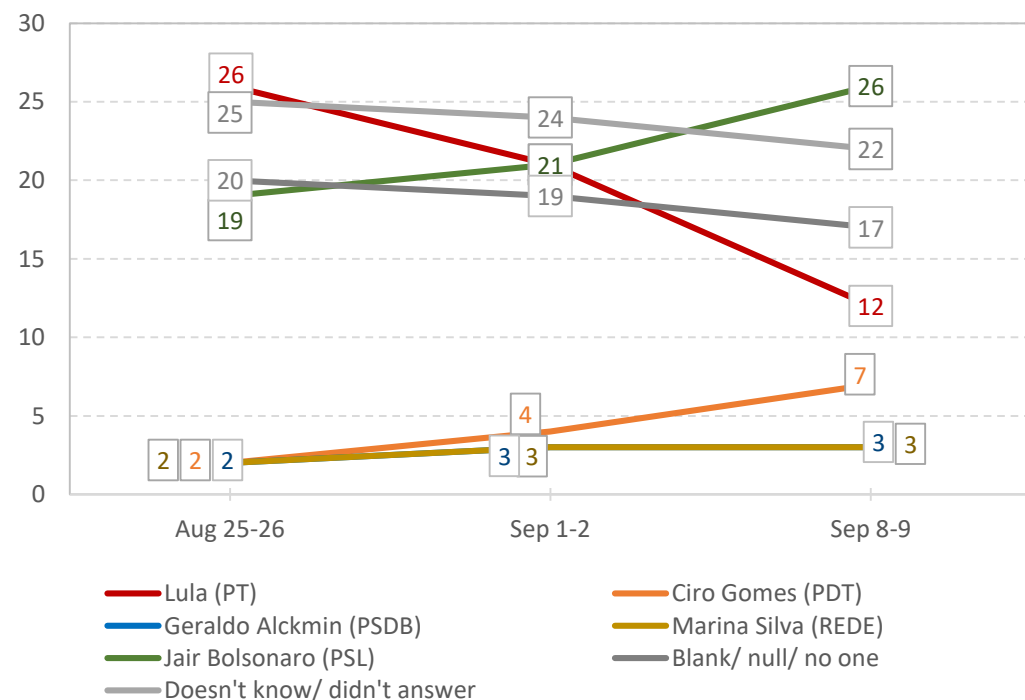
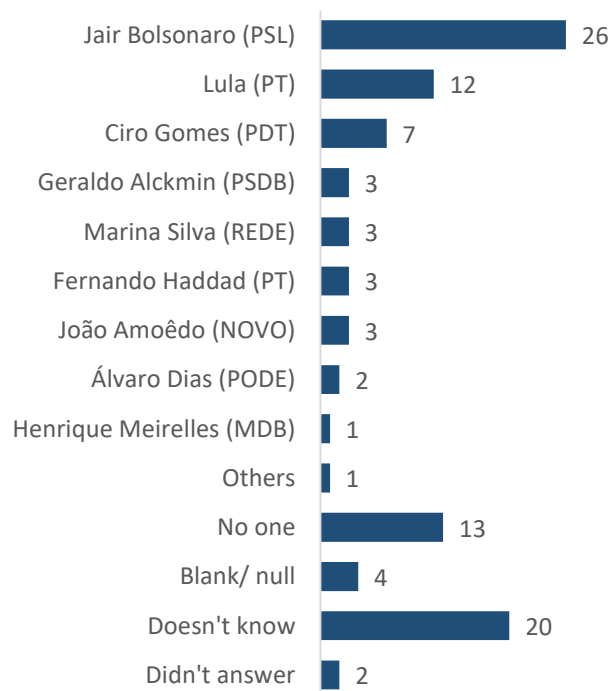
Stimulated Poll - BTG Pactual/FSB (%)



Bolsonaro has 26% of voting intentions in spontaneous poll

If voting intentions for Bolsonaro in the spontaneous poll remain above the 20% threshold, then he should make it through to the second round.

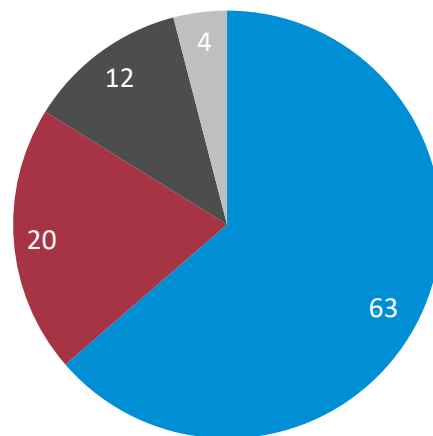
Voting intentions for 1st round of Presidential Election Spontaneous poll - BTG Pactual/FSB (%)



Haddad, backed by ex-President Lula, is strong electorally

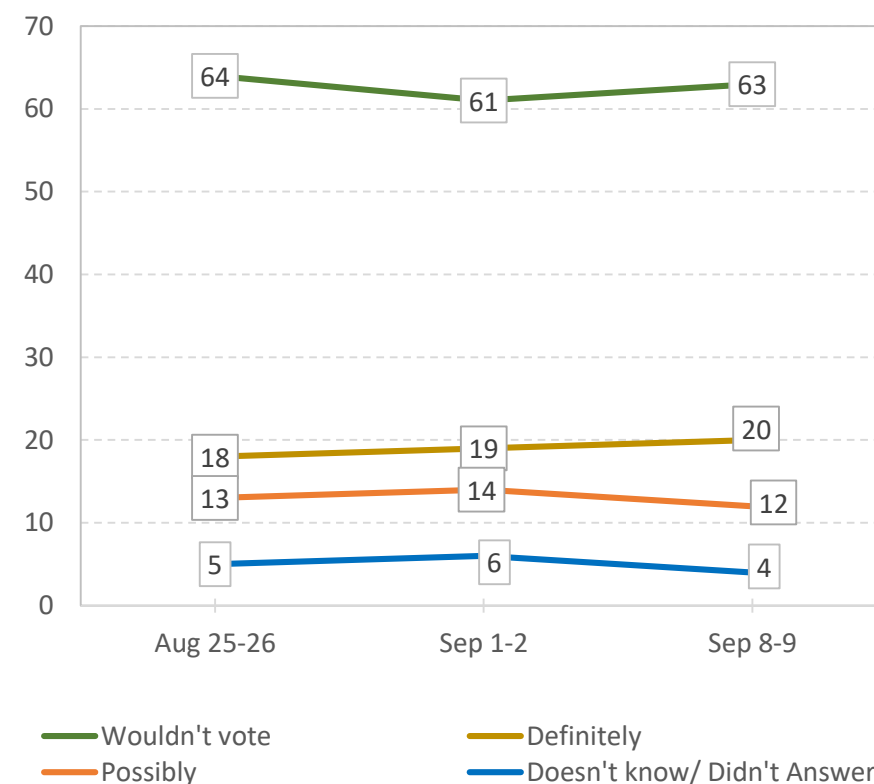
- Of the total number of voters, 20% stated that they would definitely vote for Haddad while 12% declared that they might vote for him when he is identified as the candidate supported by Lula. If maintained, these percentages suggest a high probability of Haddad reaching the second round.

% who would vote for Haddad, if backed by Lula
- BTG Pactual/FSB



■ Wouldn't vote
■ Definitely
■ Possibly
■ Doesn't know/ Didn't Answer

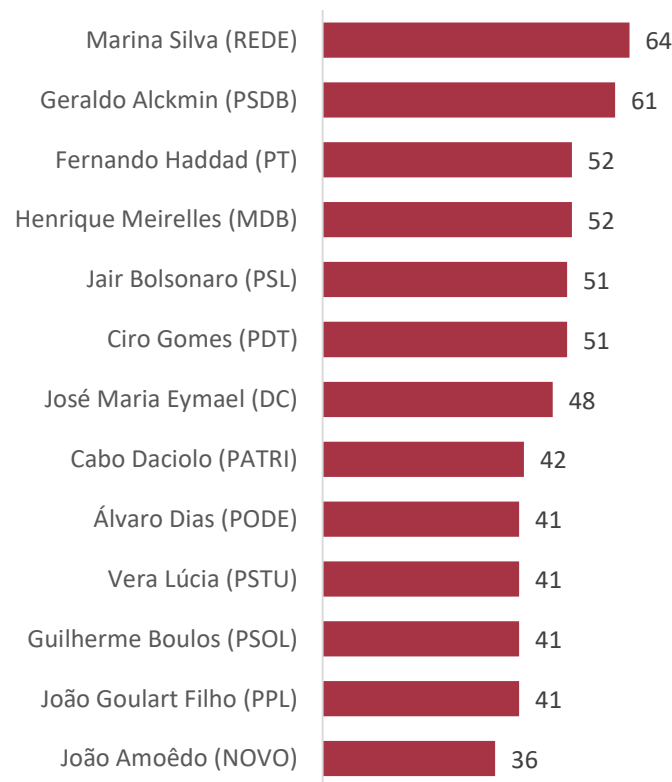
Evolution of who would vote for Haddad, if backed by Lula
- BTG Pactual/FSB (%)



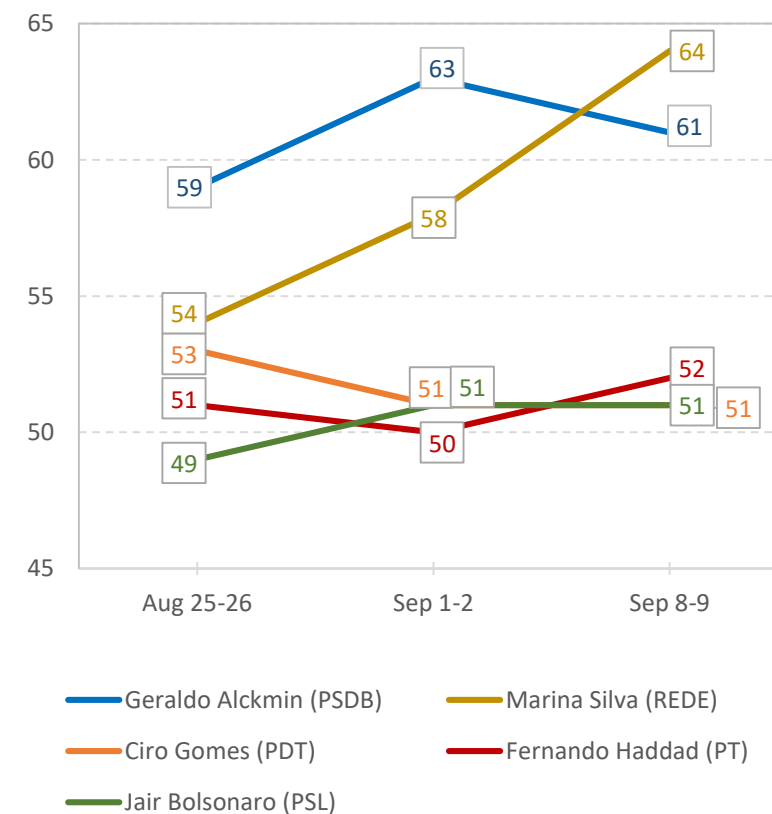
Marina has the highest rejection rate

- Marina Silva has the highest rejection rate at 64%, followed by Geraldo Alckmin at 61%. Haddad, Ciro Gomes and Bolsonaro have similar rejection rates at 52%, 51% and 51%, respectively.
- The BTG Pactual/FSB poll's different methodology explains its higher rejection rates (versus other polls), as the interviewer asks voters to evaluate each candidate individually. Other polling institutes ask voters which candidate, after showing them the full list of candidates, they definitely wouldn't vote for.

Candidates' rejection rates - BTG Pactual/FSB (%)



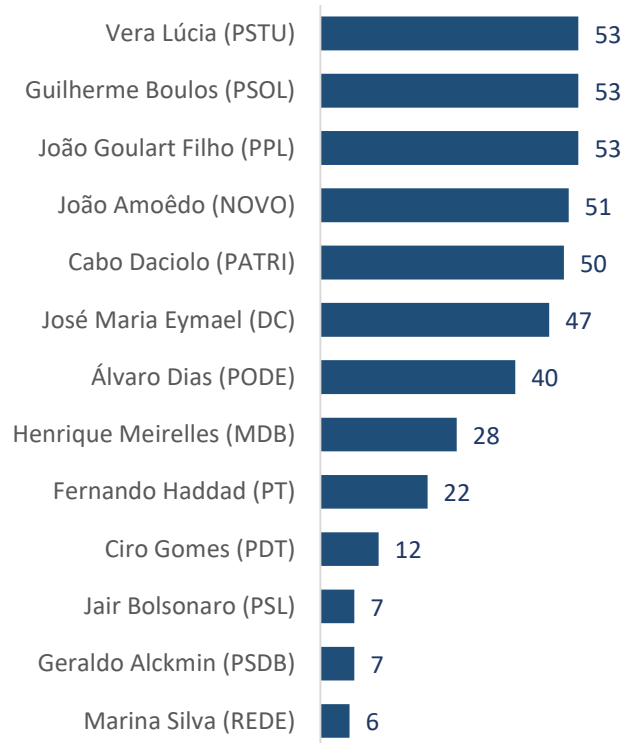
Evolution in candidates' rejection rates - BTG Pactual/FSB (%)



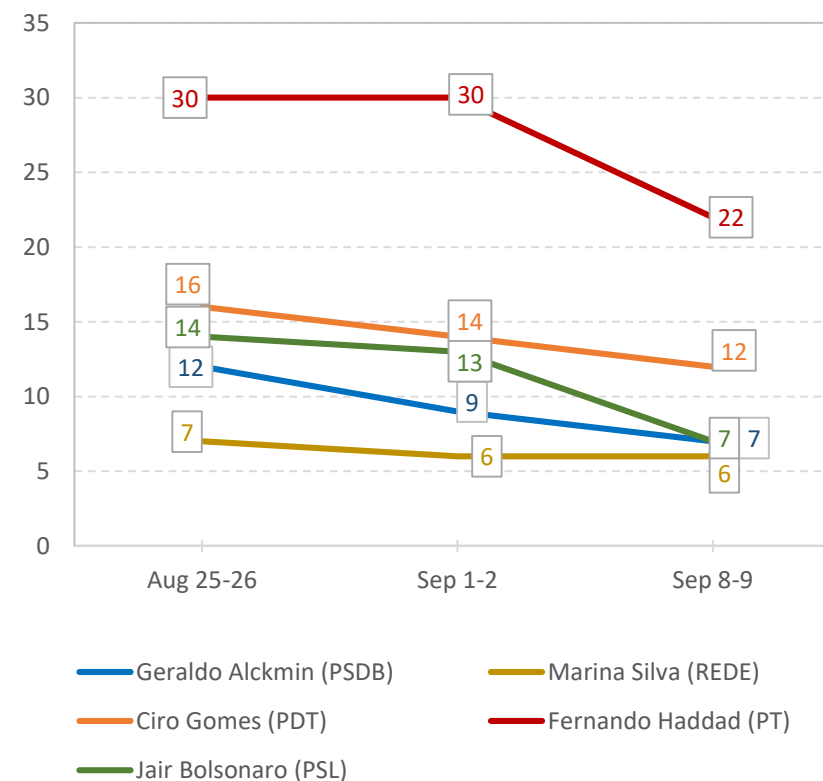
% of voters who “don’t know” Alckmin and Bolsonaro is equal

- Marina Silva, Geraldo Alckmin, Jair Bolsonaro and Ciro Gomes have low % levels of “don’t know” voters (between 6 and 12%), while 22% still say they “don’t know” Haddad.
- Comparing the last two polls, Haddad’s level has fallen from 30% to 22%. Bolsonaro’s level also declined, exceeding the margin of error, influenced by his increased exposure following the attack he suffered.

% of those who “don’t know” the candidate - BTG Pactual/FSB



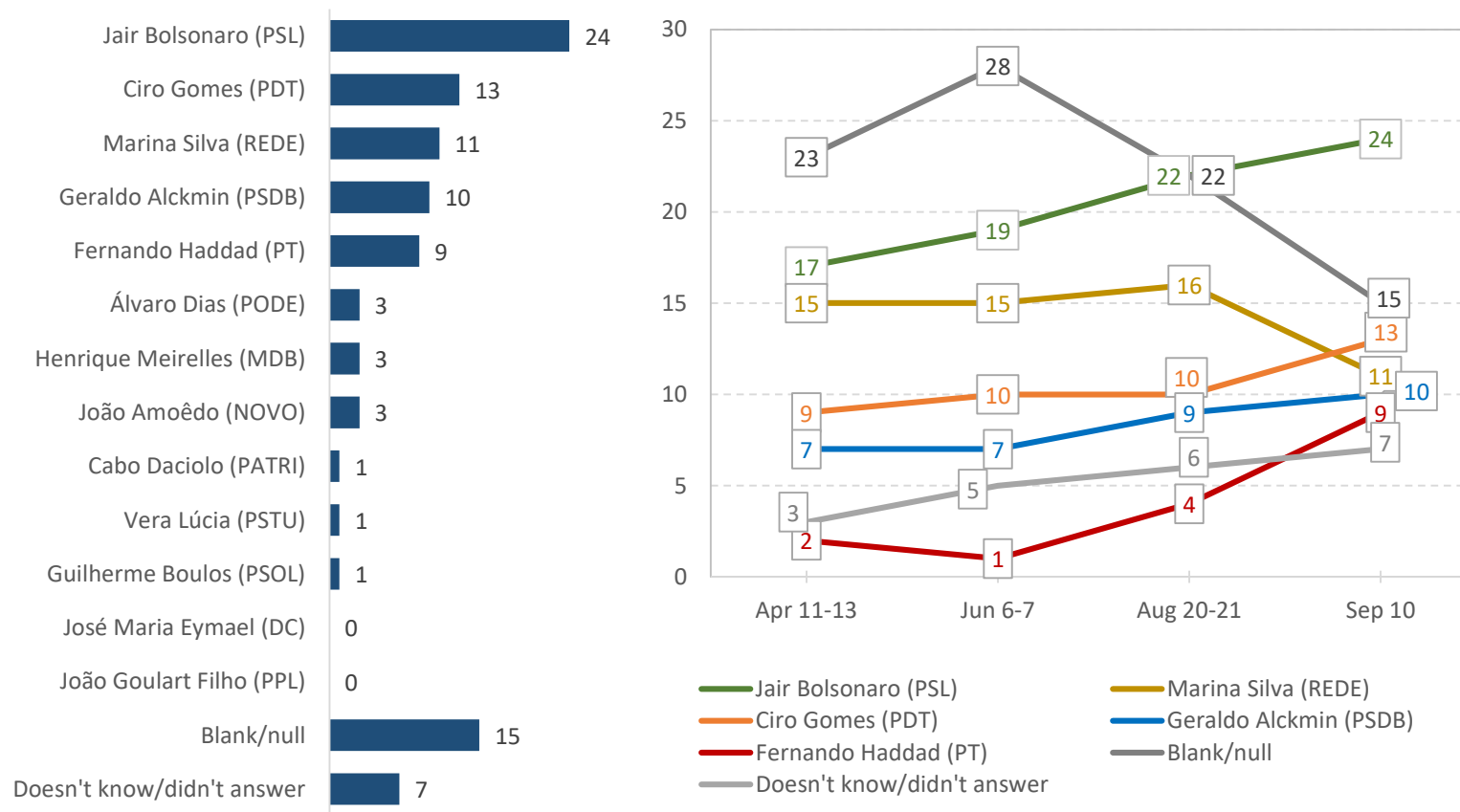
Evolution of those who “don’t know” the candidate - BTG Pactual/FSB (%)



Sharp increase in voting intentions for Haddad

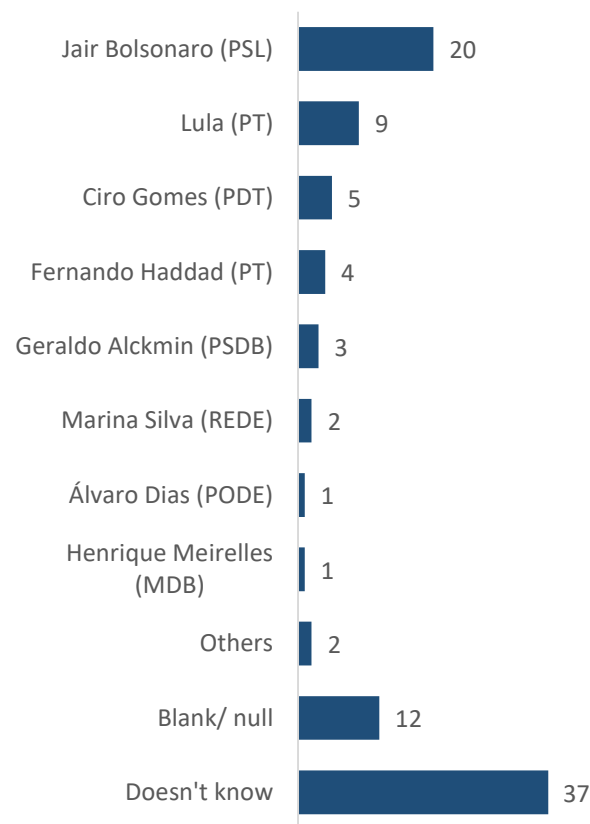
- The increase in Haddad's voting intentions in the Datafolha poll was significant: from 1% on June 6-7 to 4% on August 20-21 and 9% on September 10. We expect this uptrend to continue in upcoming polls as Haddad is now being identified as the Lula-backed candidate. As Haddad's voting intentions rise, Ciro Gomes' and Marina Silva's tend to fall.

Voting intentions for 1st round of Presidential Election Stimulated Poll - Datafolha (%)

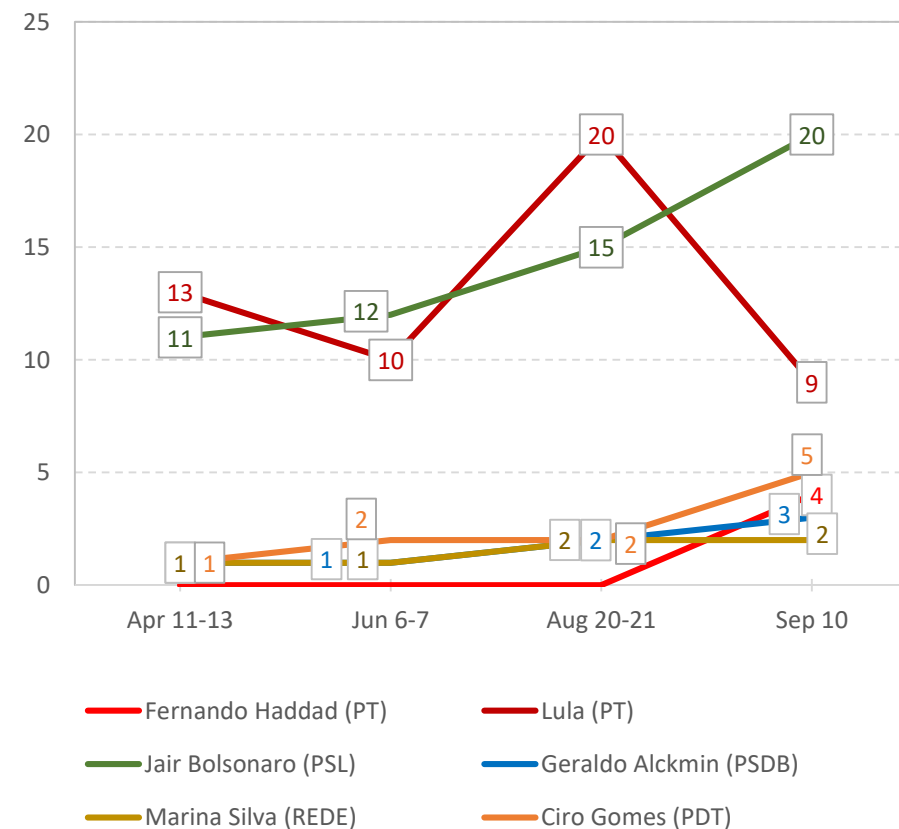


Bolsonaro has 20% of votes in spontaneous poll (Datafolha)

- If Bolsonaro's voting intentions in the spontaneous poll remain at ~the 20% mark, that should be enough for him to dispute the second round.
- The sharp decline in Lula's votes in the spontaneous poll may be partly explained by the fact that people no longer believe he will be able to run.



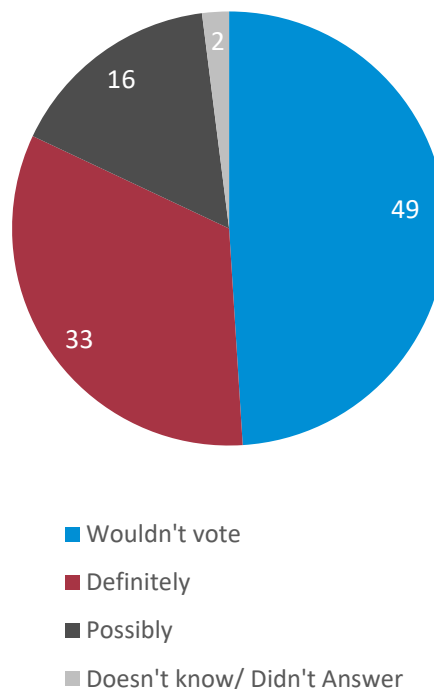
Voting intentions for 1st round of Presidential Election Spontaneous poll – Datafolha (%)



Haddad, backed by ex-President Lula, is strong electorally

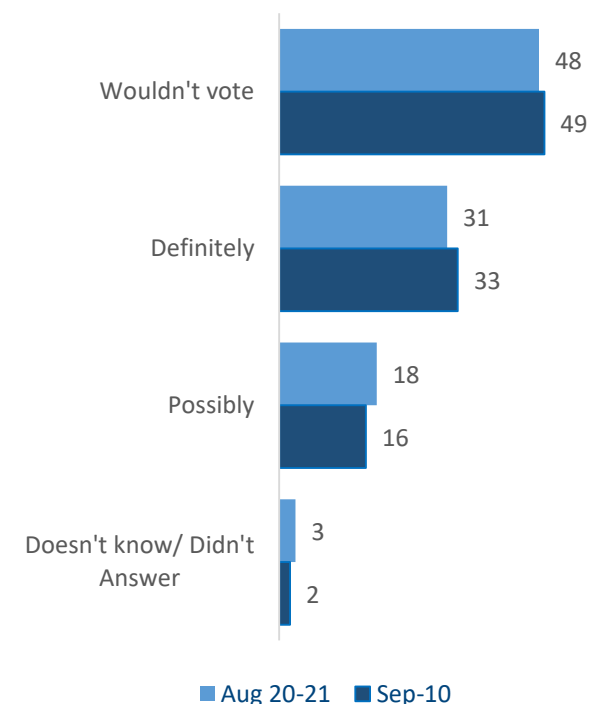
- Of the total number of voters, 33% stated that they would definitely vote for Haddad while 16% declared that they might vote for him when he is identified as the candidate supported by Lula. If maintained, these percentages suggest a high probability of Haddad reaching the second round.

% who would vote for Haddad, if backed by Lula
- Datafolha



Source: Datafolha, BTG Pactual

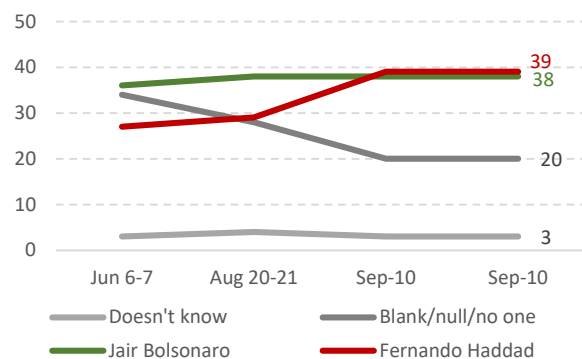
Evolution of who would vote for Haddad, if backed by Lula
- Datafolha (%)



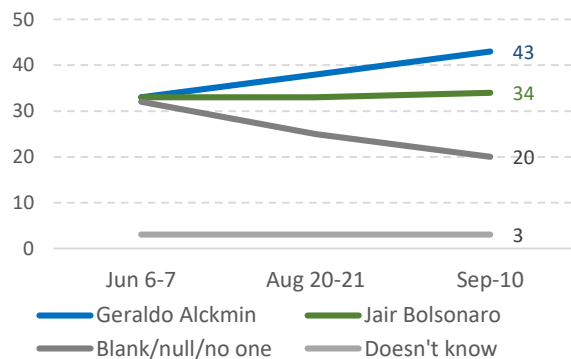
Bolsonaro loses in almost all second-round scenarios

Voting intentions for 2nd round of Presidential Election (Datafolha)

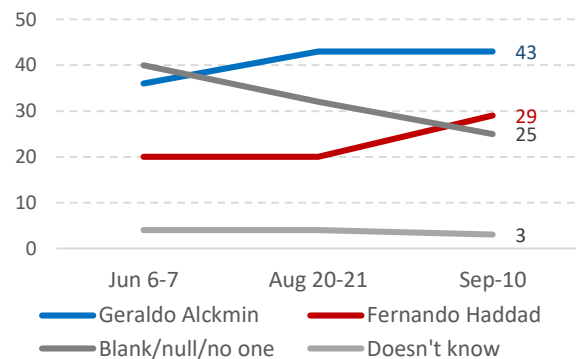
Scenario I



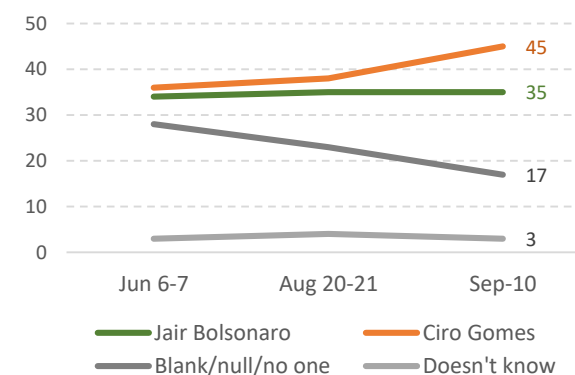
Scenario II



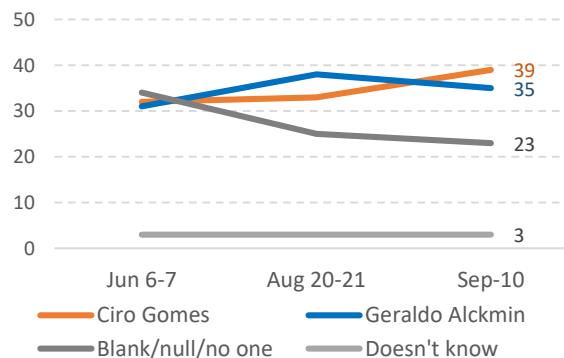
Scenario III



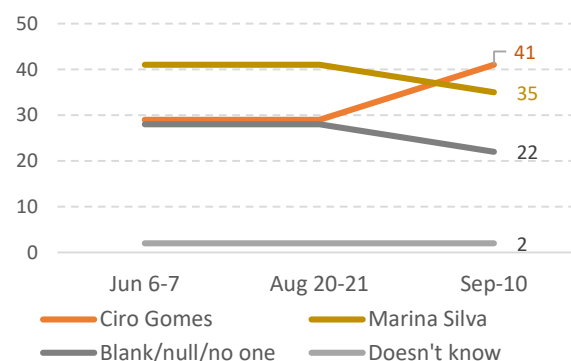
Scenario IV



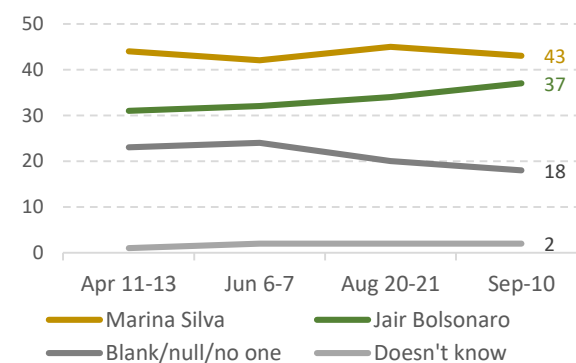
Scenario V



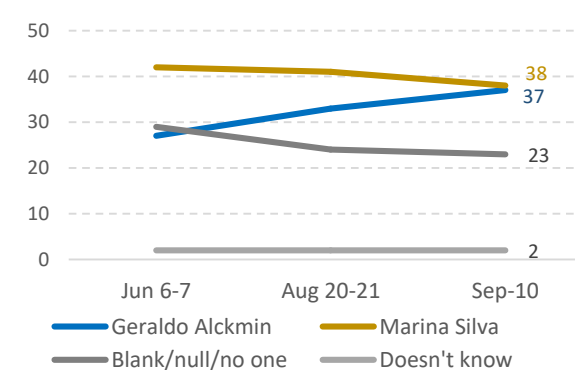
Scenario VI



Scenario VII



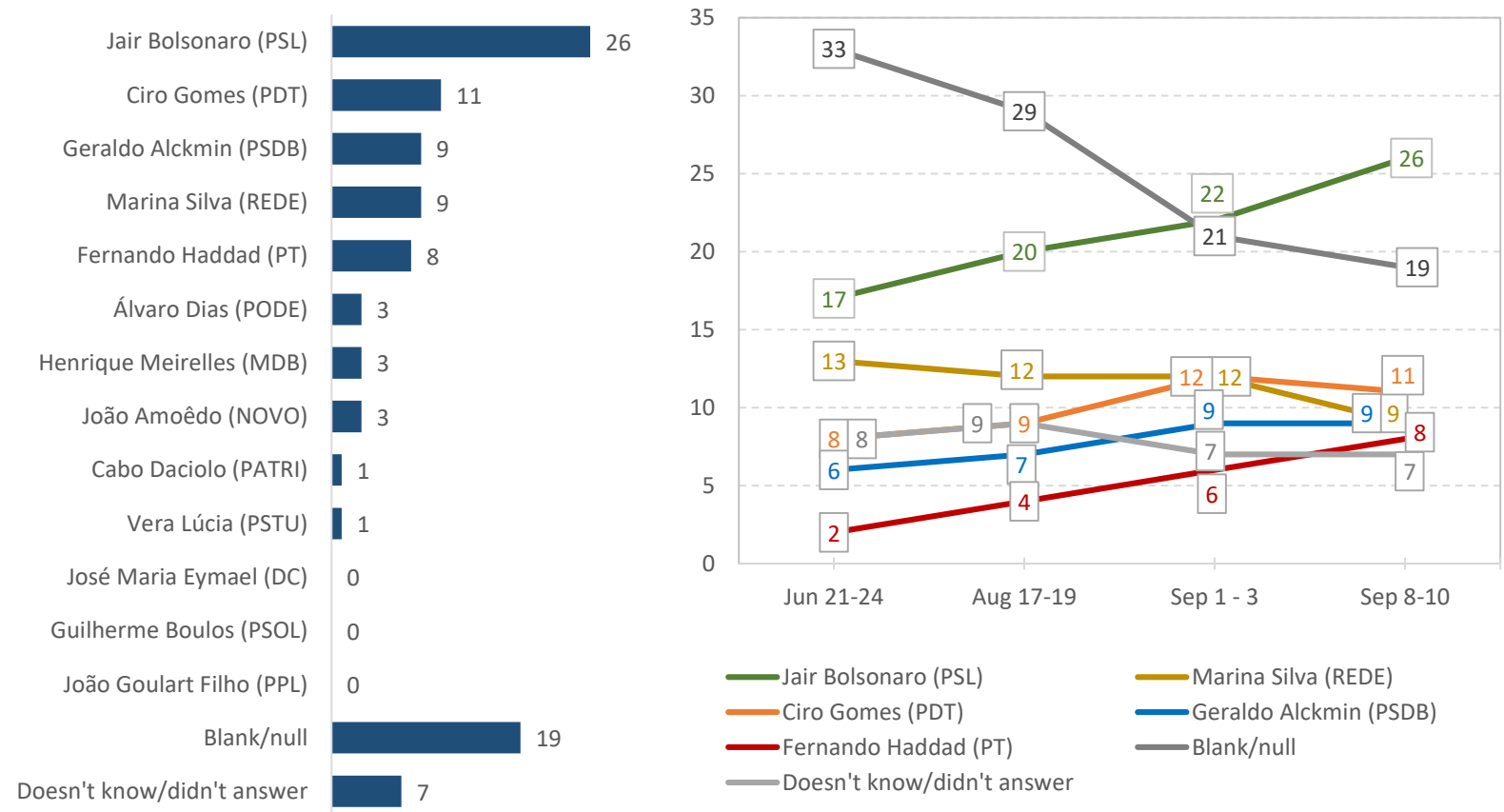
Scenario VIII



Sharp rise in Bolsonaro's voting intentions

- Voting intentions for Bolsonaro increased in the stimulated poll, from 22% to 26% between the two previous polls (Ibope). This growth was probably influenced by the attack on the candidate (he was stabbed during a public campaign act) on September 6. If these voting intentions are maintained, Bolsonaro will probably make it to the second round of the election.
- There is also an uptrend in Haddad's voting intentions in the Ibope poll: from 2% on June 28 to 6% on September 5 and to 8% in the poll released on September 10. As Haddad is now being identified as the Lula-backed candidate, his voting intentions tend to increase.

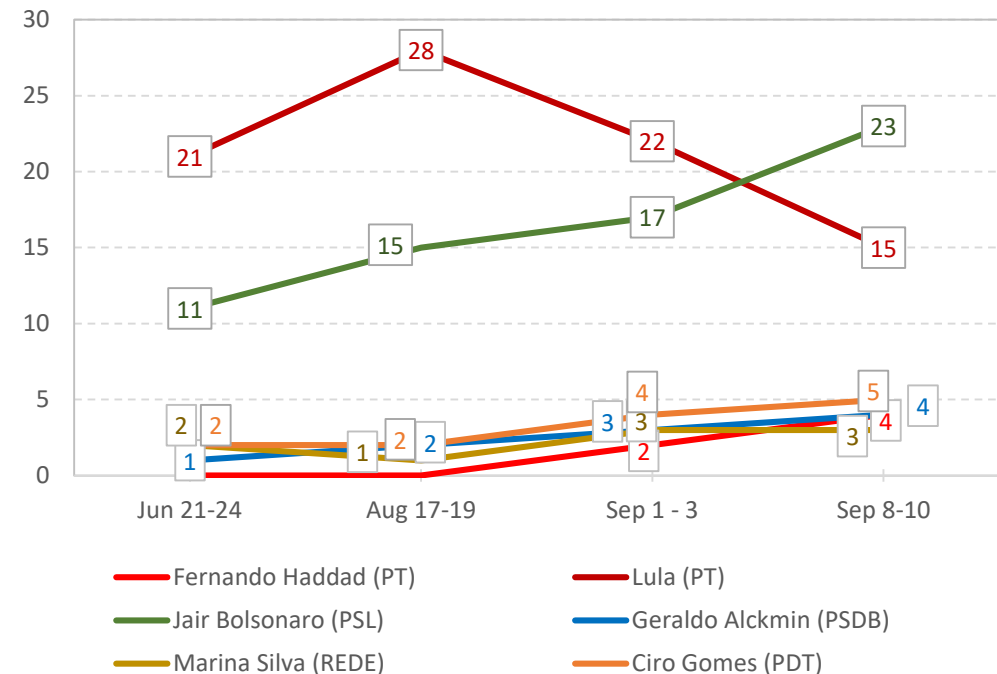
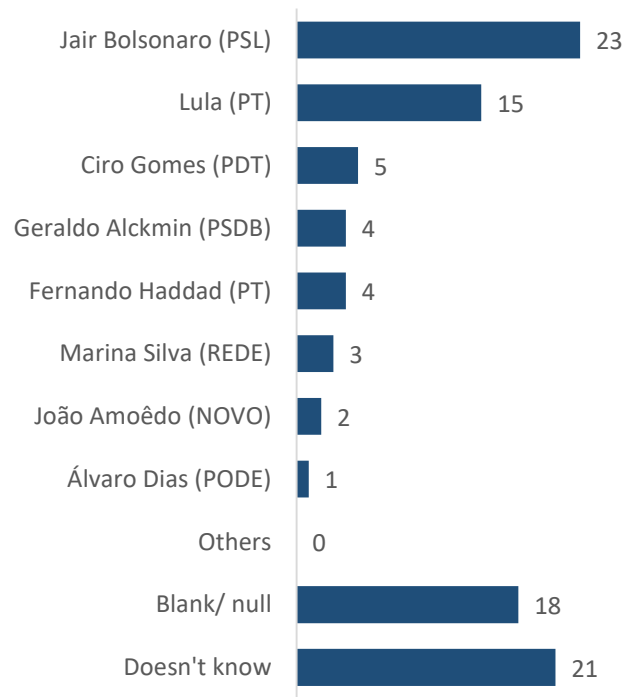
Voting intentions for 1st round of Presidential Election Stimulated Poll - Ibope (%)



Bolsonaro has 23% of voting intentions in spontaneous poll (Ibope)

If voting intentions for Bolsonaro in the spontaneous poll remain above the 20% threshold, then he should make it through to the second round.

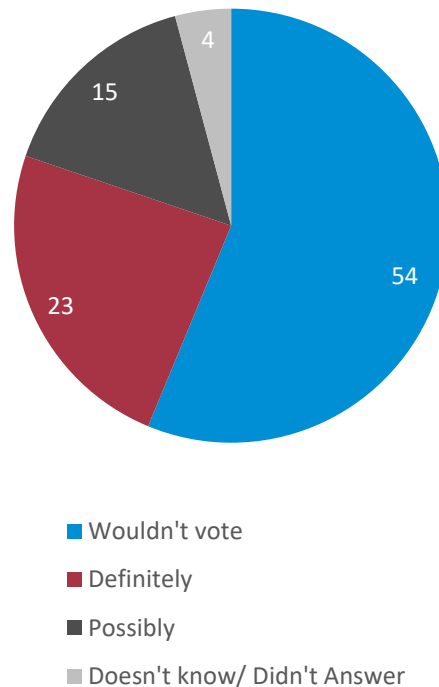
Voting intentions for 1st round of Presidential Election Spontaneous poll – Ibope (%)



Ibope poll also signals Lula's strong ability to transfer votes

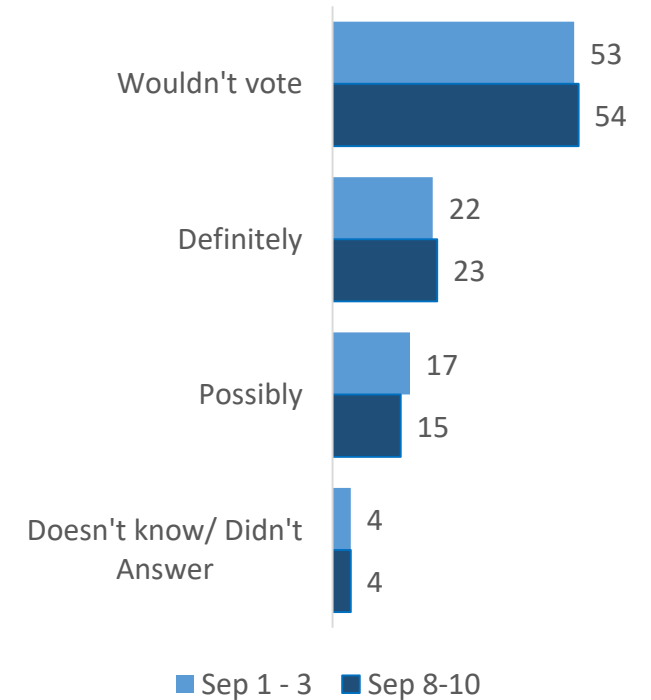
- Of the total number of voters, 23% stated that they would definitely vote for Haddad while 15% declared that they might vote for him when he is identified as the candidate supported by Lula. These percentages are similar to those found in the BTG Pactual/FSB poll and, if maintained, suggest a high probability of Haddad reaching the second round.

% who would vote for Haddad, if backed by Lula
- Ibope



Source: Ibope, BTG Pactual

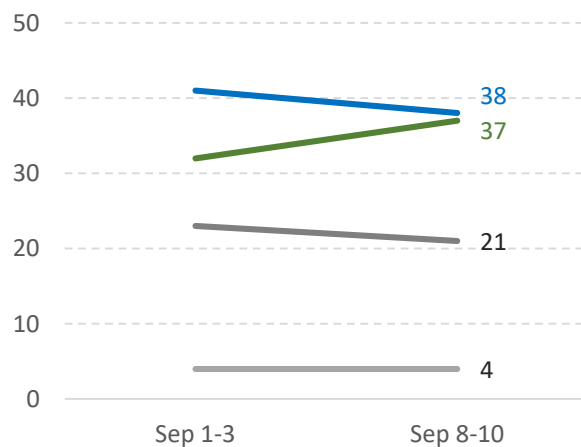
Evolution of who would vote for Haddad, if backed by Lula
- Ibope (%)



Bolsonaro's votes in the second-round increased after the attack against him

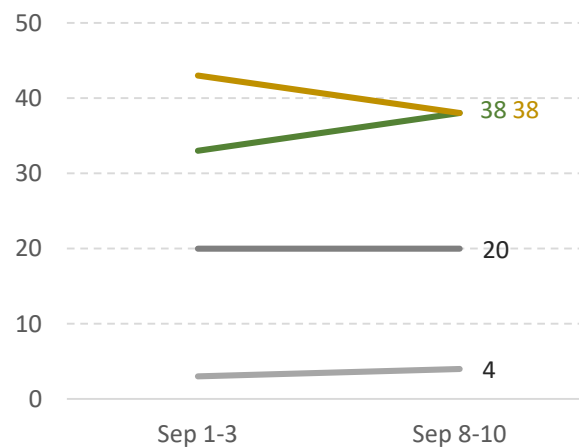
Voting intentions for 2nd round of Presidential Election
- Ibope (%)

Scenario I



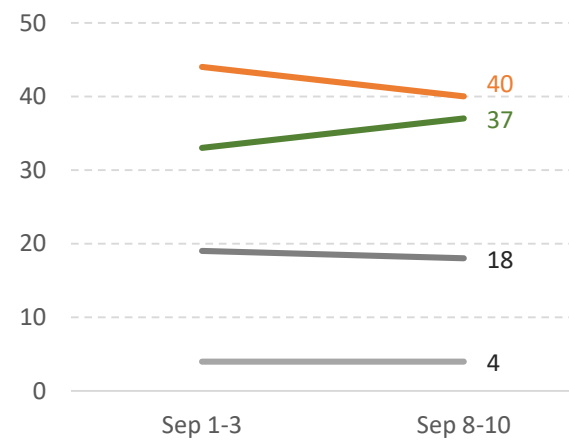
— Geraldo Alckmin — Jair Bolsonaro
— Blank/null/no one — Doesn't know

Scenario II



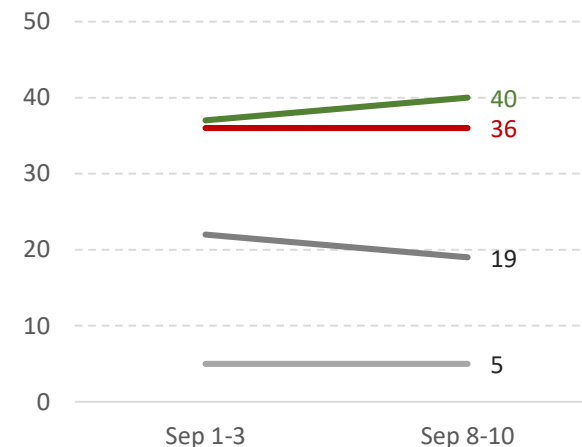
— Jair Bolsonaro — Marina Silva
— Blank/null/no one — Doesn't know

Scenario III



— Ciro Gomes — Jair Bolsonaro
— Blank/null/no one — Doesn't know

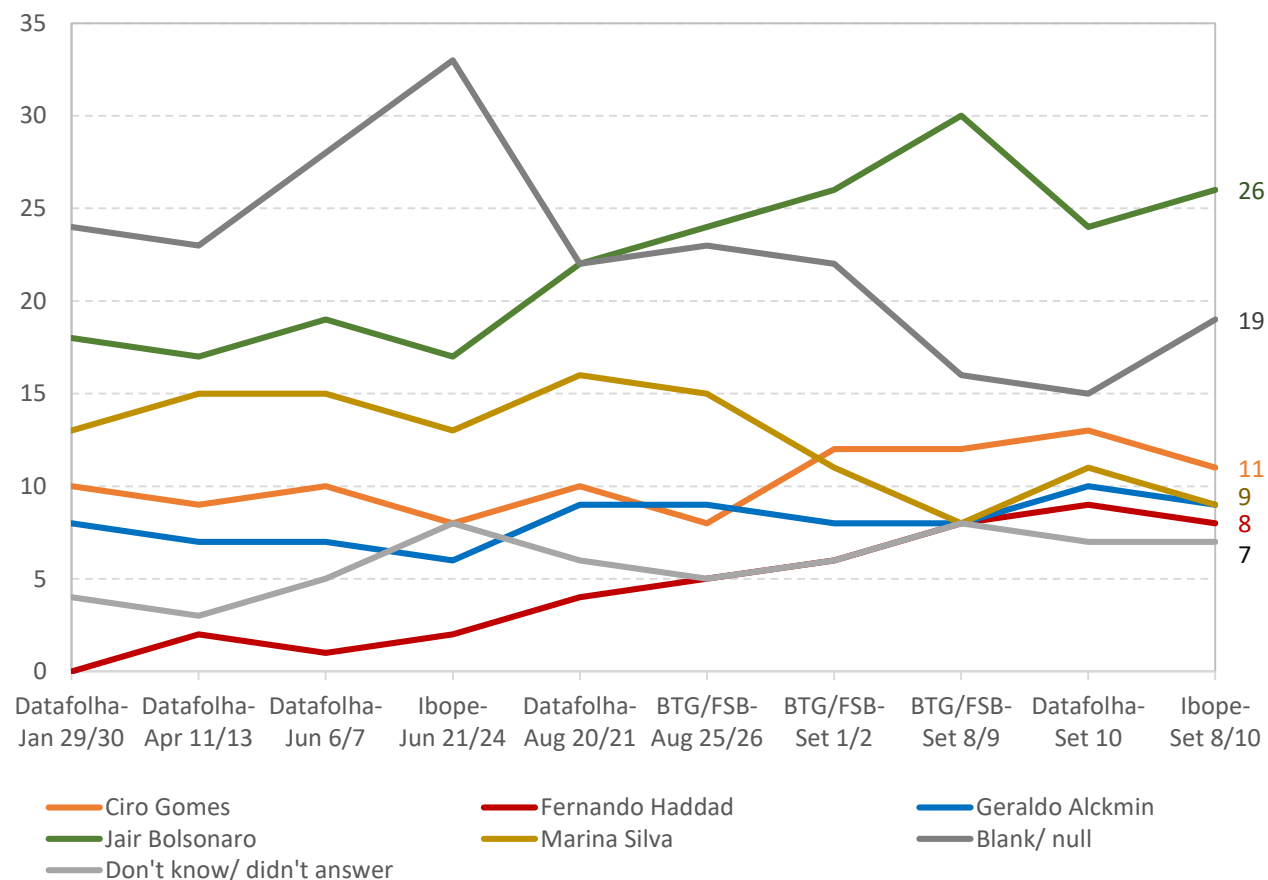
Scenario IV



— Fernando Haddad — Jair Bolsonaro
— Blank/null/no one — Doesn't know

Bolsonaro strengthened his voting intentions in recent polls

Voting intentions for 1st round of Presidential Election Stimulated polls - Aggregate*



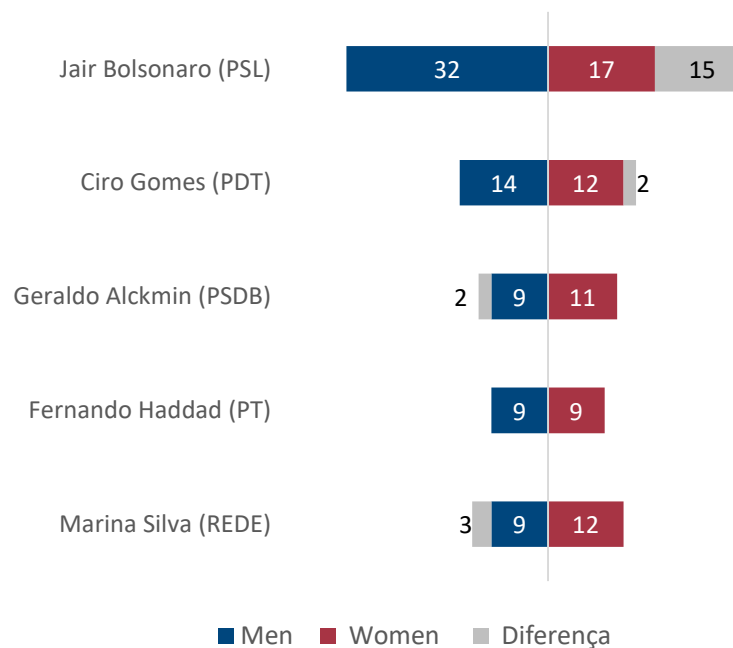
Source: Datafolha, Ibope, Instituto FSB Pesquisa, BTG Pactual

* Datafolha, Ibope, BTG Pactual/FSB use different methodologies.

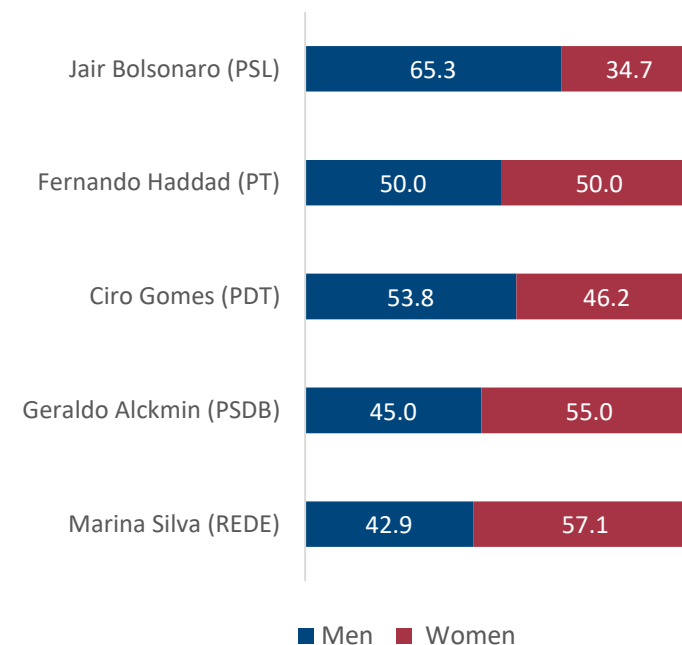
We continue to see a wide gender gap

- Voting intentions for Jair Bolsonaro reveal significant gender difference: 65.3% of the total are men, while 34.7% are women. On the other hand, 57.1% of voting intentions for Marina Silva are from women versus 42.9% from men.

Voting intentions by gender - Datafolha (%)



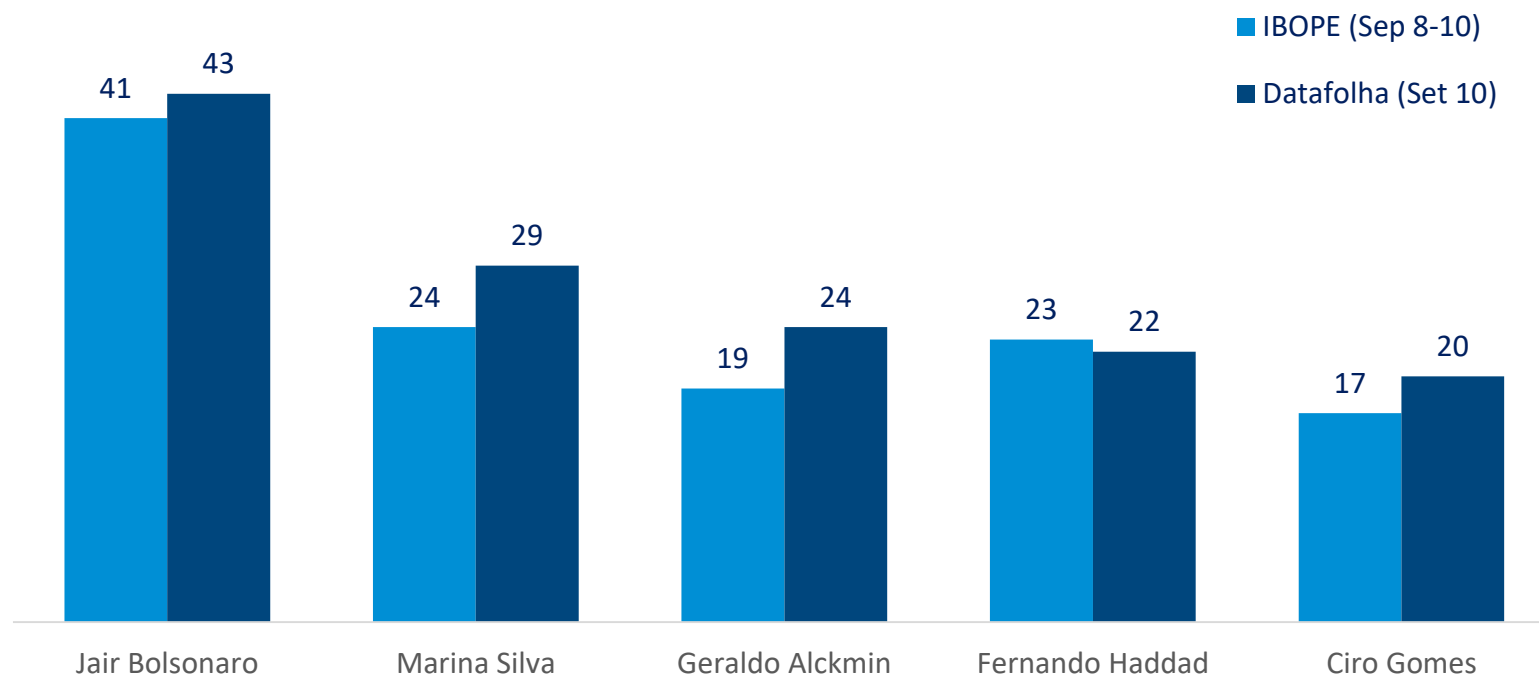
Voting intentions by gender - Datafolha(% of total)



Bolsonaro has a much higher rejection rate

- Bolsonaro's rejection rate is much higher than the other candidates'. For example, the second highest rejection rate is Marina's, at 24% in the Ibope poll and 29% in the Datafolha poll. A high rejection rate reduces a candidate's victory chances if things go to a second round.

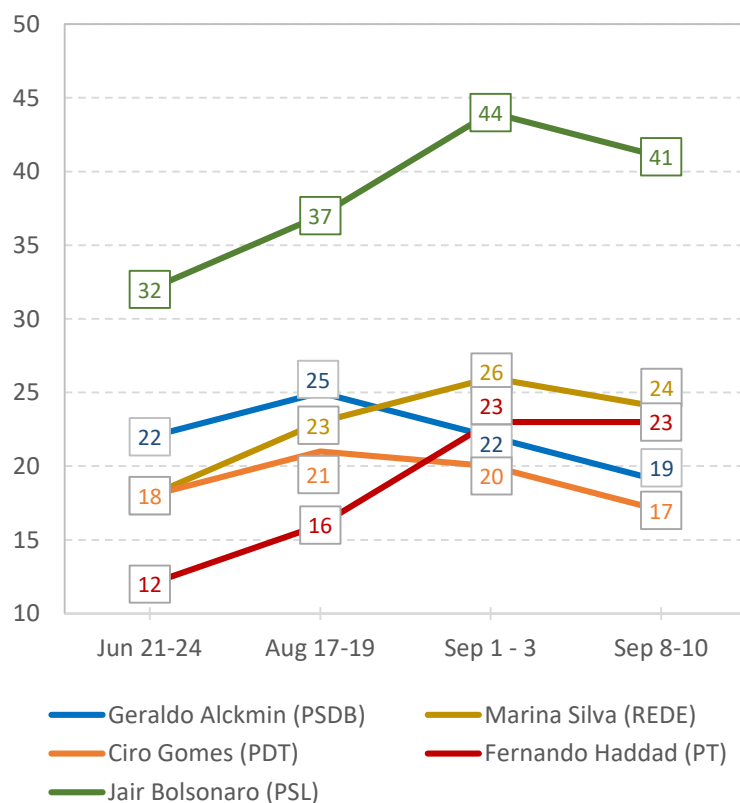
Presidential candidates' rejection rates (%)



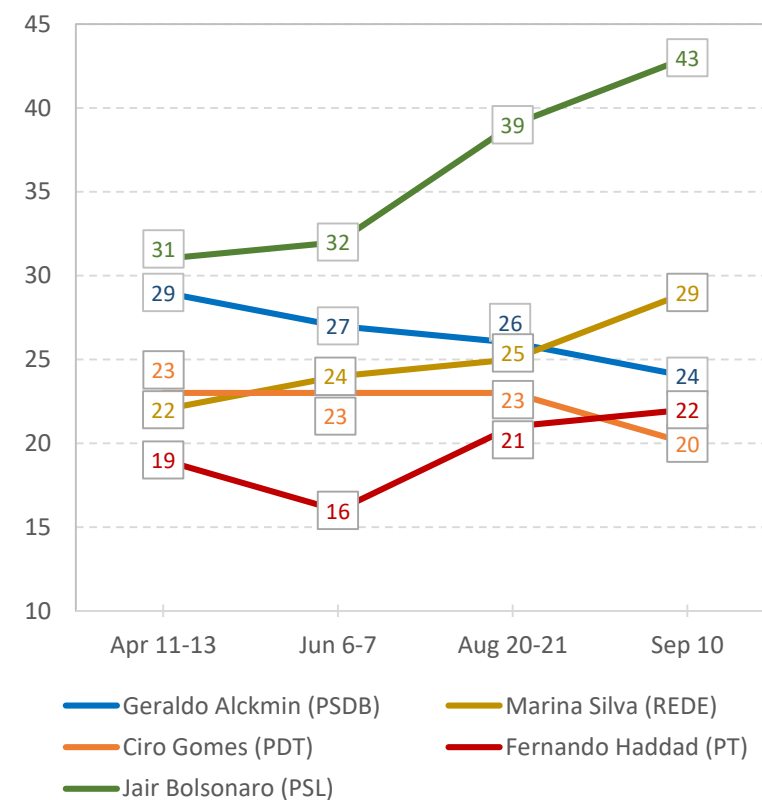
Bolsonaro has a +40% rejection rate

- In Ibope's poll, Bolsonaro's rejection rate declined from 44% to 41% between the two previous polls. Despite the decline, his rejection rate remains much higher than other candidates'. In the Datafolha poll, his rejection rate rose from 39% to 43%. These contrasting movements may be explained by the two institutes' interview dates. The decline in Bolsonaro's rejection rate in the Datafolha poll likely reflects the fact that it was taken on days closer to Bolsonaro's stabbing.

Presidential candidates' rejection rates – Ibope (%)



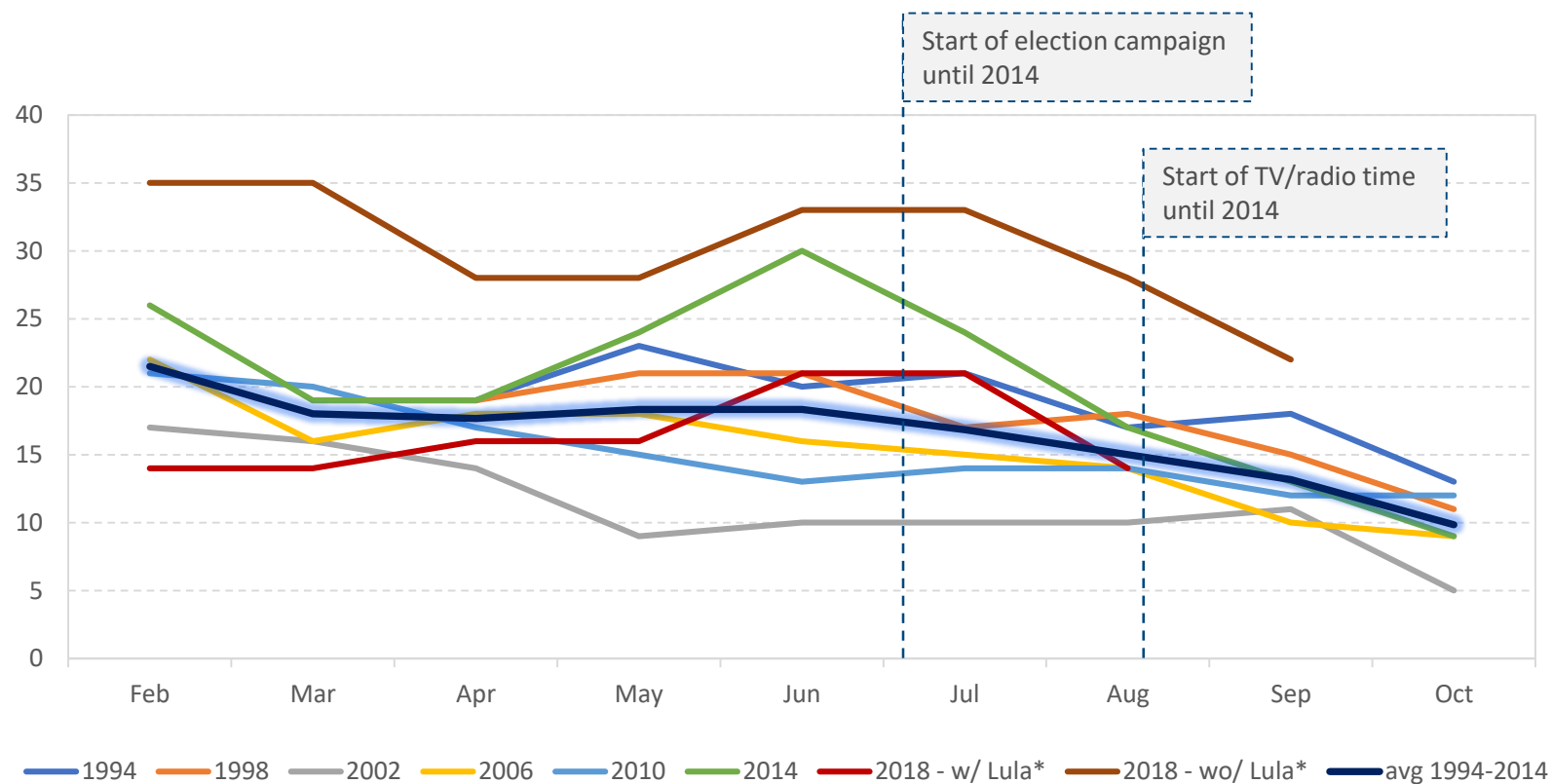
Presidential candidates' rejection rates – Datafolha (%)



Blank, null and undecided votes are similar to past elections

- The percentage of blank, null and undecided votes in the scenarios where ex-President Lula appears as a candidate is similar to past elections, and is higher in scenarios where he is replaced by another party member.

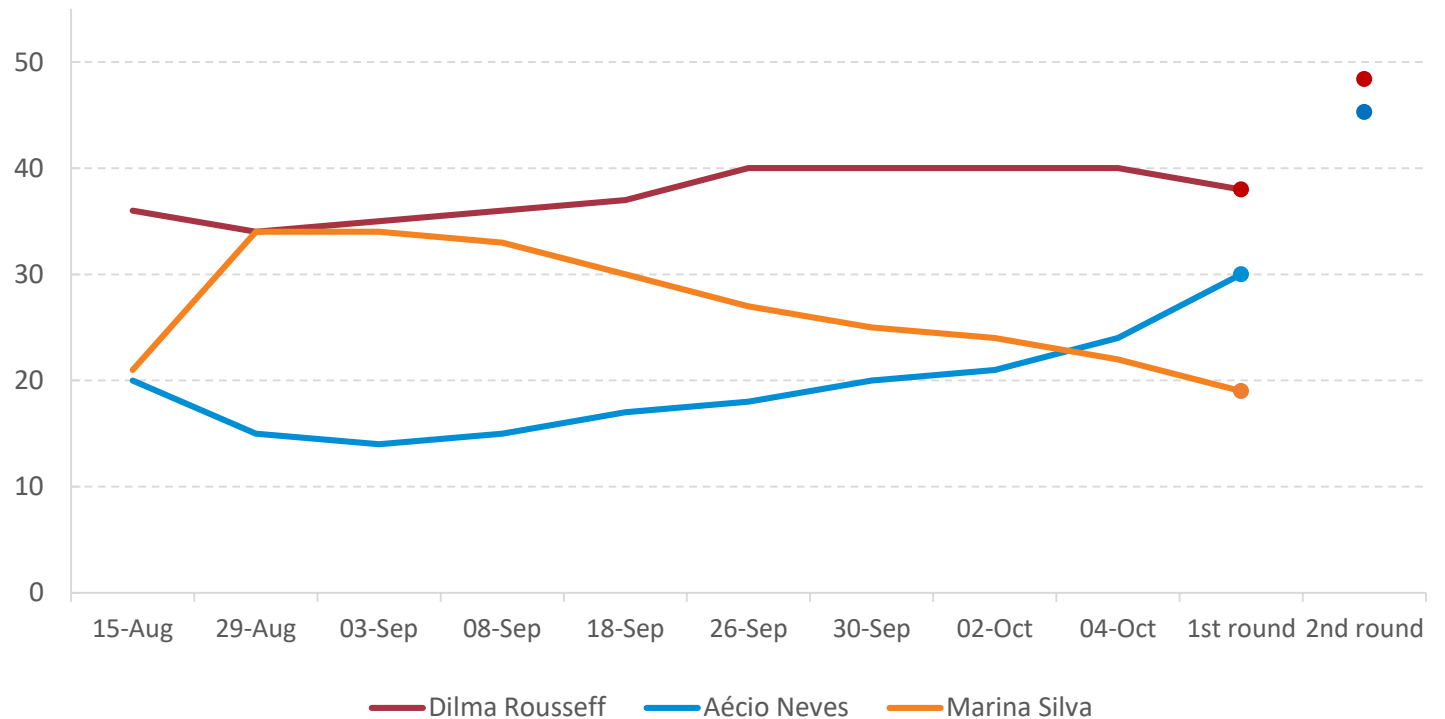
Blank, null and undecided votes in past presidential elections



Strong voting intentions for Aécio Neves in September 2014

- In September 2014, voting intentions for Aécio Neves (PSDB) were around 15%, while Marina Silva (PSB) had 35%. Aécio only surpassed Marina a few days before the election. The larger party structure of the PSDB and PT in comparison to the PSB contributed to this movement.

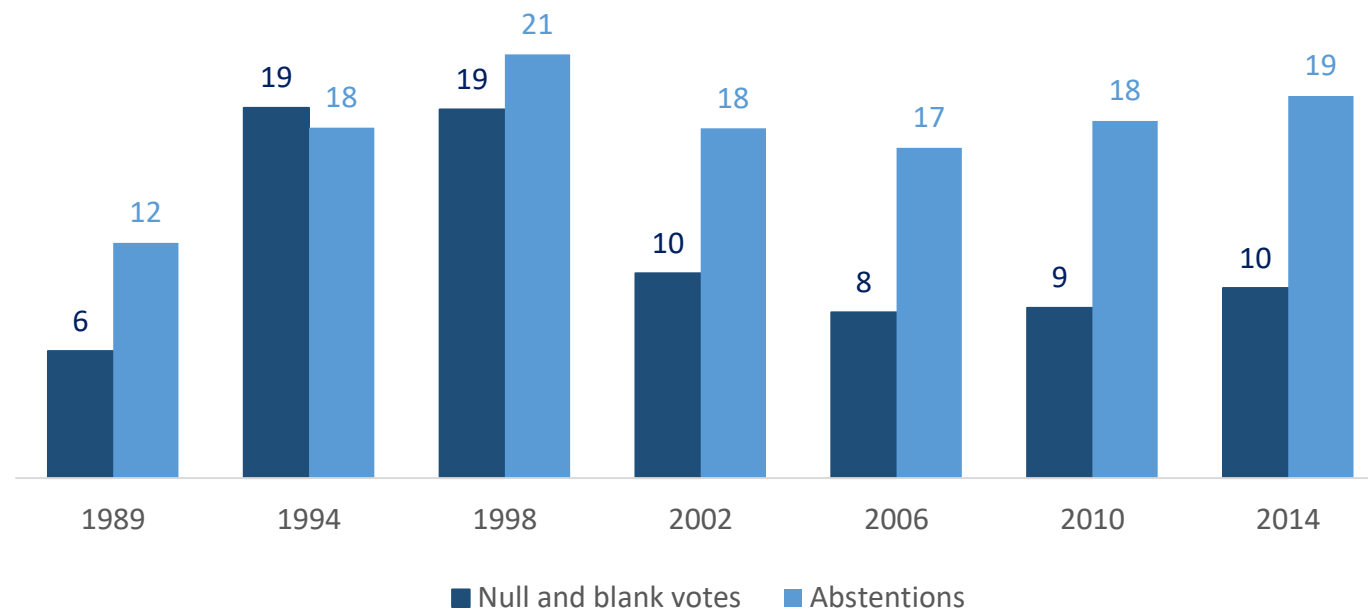
Voting intentions for president (Datafolha poll) and result of 2014 elections (%)



Abstention levels have hovered around 20% since 1994

- The percentage of abstentions has been close to 20% since the 1994 election, while the percentage of blank and null votes has remained around 10% of valid votes since 2002.

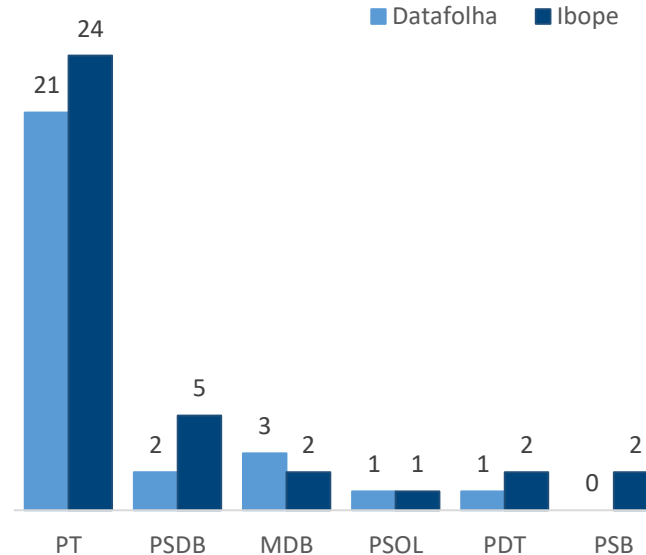
Abstentions and blank and null votes in past presidential elections (%)



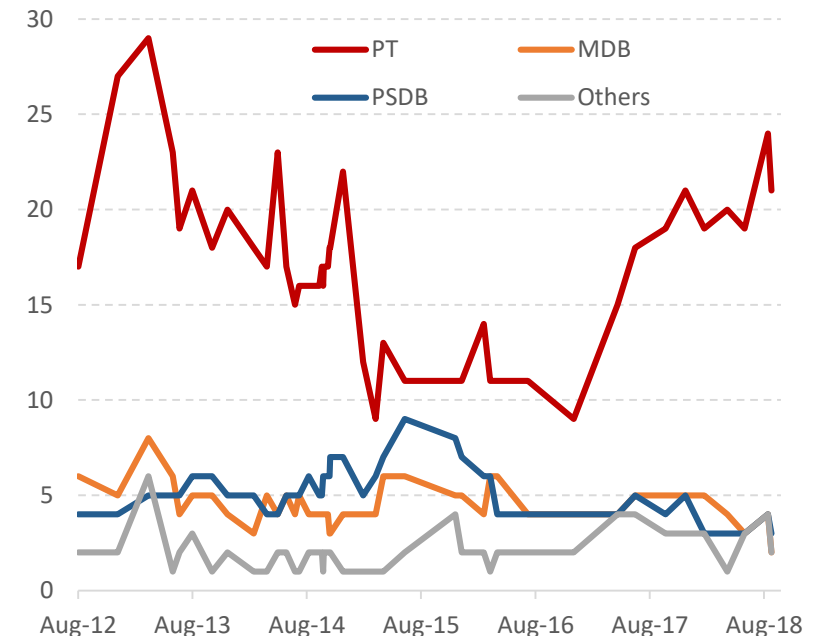
More than 20% of voters have a preference for the PT party

- The PT is the preferred party of 21% of the Brazilian electorate (Datafolha poll). Party preference peaked (29%) in March 2013 and bottomed (9%) in December 2016, a few months after Dilma Rousseff's impeachment in Datafolha poll. Starting in 2017, voting preference for the party started to grow again, probably reflecting the unpopularity of President Michel Temer's (MDB) government.
- Voters' preference for other parties is very low. The majority of the Brazilian electorate (58%) has no party preference.

Party preference of voters (%)



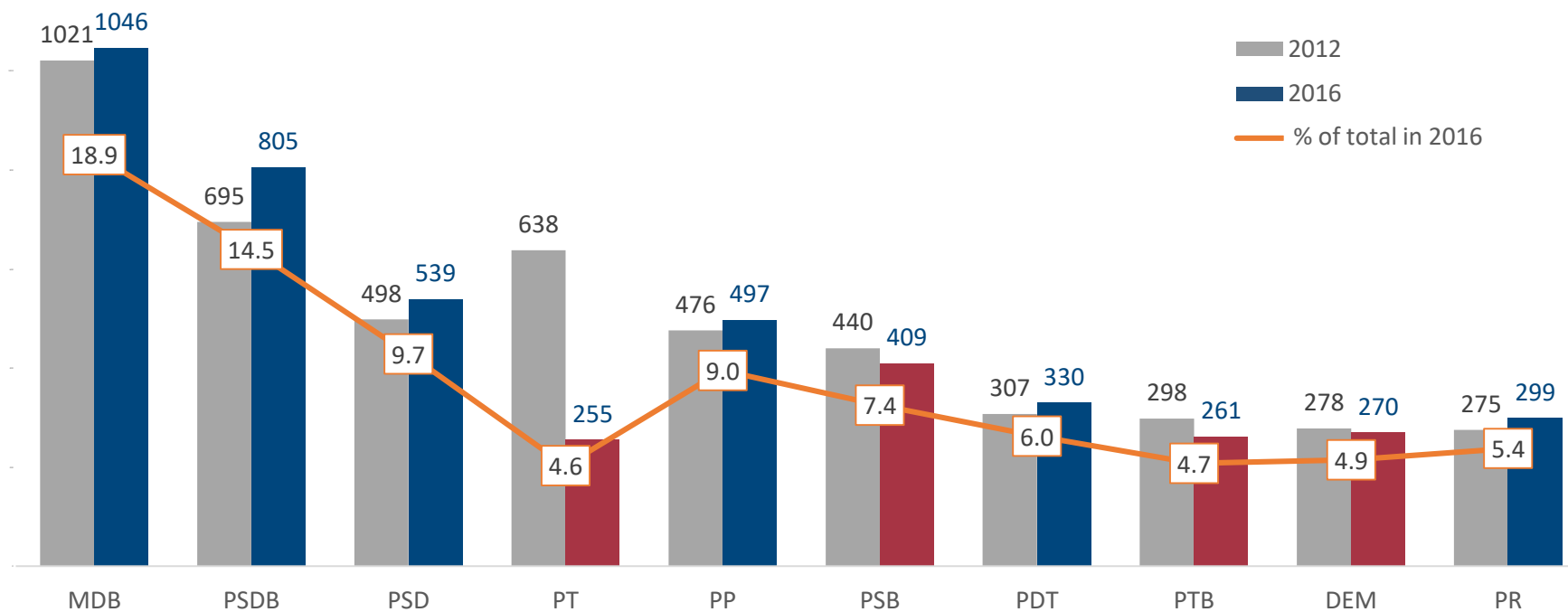
Party preference of voters - Datafolha (%)



PT lost most city halls in 2016

The MDB, PSDB, PSD, PP and PSB parties govern the largest number of city halls, at 60% of the total. The PSDB party obtained the largest increase in # of city halls in the 2016 elections compared to 2012, while the PT lost the most.

of city halls by party (10 largest)



VOTER PROFILE

SECTION 4

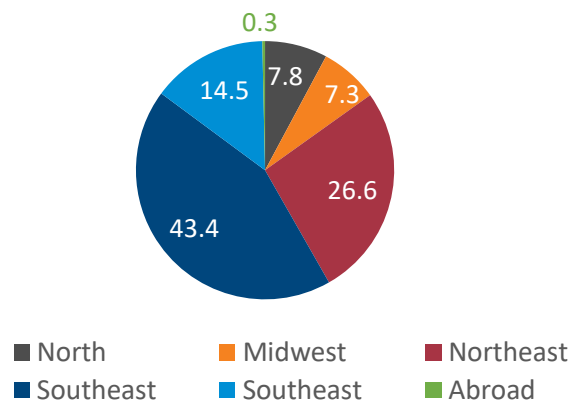


Southeast and Northeast have 70% of voters

- The Southeast and Northeast are home to 43% and 27%, respectively, of the 147 million Brazilian voters.
- São Paulo, Minas Gerais and Rio represent the bulk of voters, accounting for 42% of the total.

Voters by region (thousands, % of total)

Region	Number of voters (thousands)
Southeast	63,902
Northeast	39,222
South	21,396
North	11,534
Midwest	10,747
Abroad	501

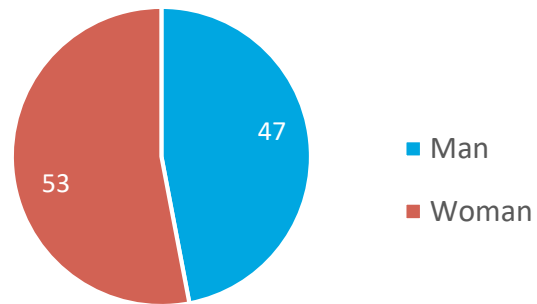


Voters by city

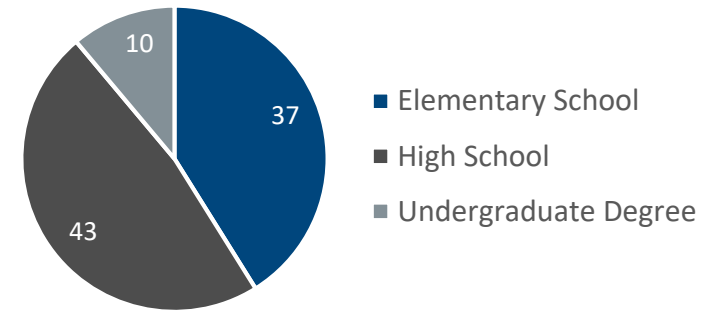
State	Number of voters (thousands)	% of total
SP	33,040	22.4
MG	15,701	10.7
RJ	12,406	8.4
BA	10,393	7.1
RS	8,355	5.7
PR	7,971	5.4
PE	6,570	4.5
CE	6,344	4.3
PA	5,499	3.7
SC	5,070	3.4
MA	4,537	3.1
GO	4,454	3.0
PB	2,868	1.9
ES	2,755	1.9
AM	2,428	1.6
RN	2,374	1.6
PI	2,371	1.6
MT	2,330	1.6
AL	2,188	1.5
DF	2,084	1.4
MS	1,878	1.3
SE	1,577	1.1
RO	1,176	0.8
TO	1,039	0.7
AC	548	0.4
AP	512	0.3
RR	331	0.2
Abroad	501	0.3
Total	147,302	100

Most voters have low income and education levels

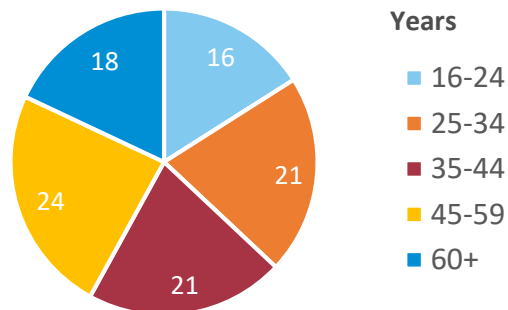
Voters by gender
(% of total)



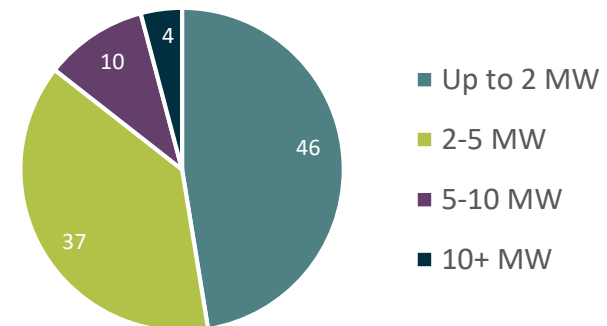
Voters by level of schooling
(% of total)



Voters by age
(% of total)



Voters by income
(% of total, in terms of minimum wage)



SOCIAL MEDIA X TV

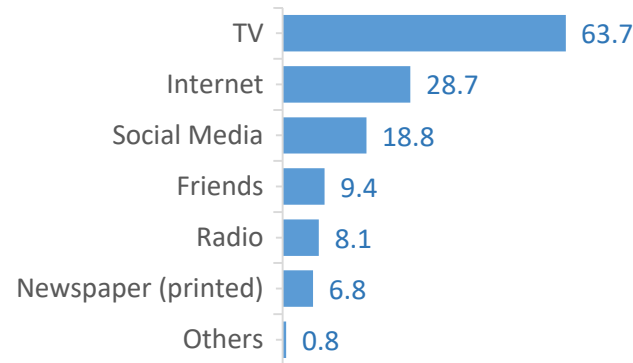
SECTION 5



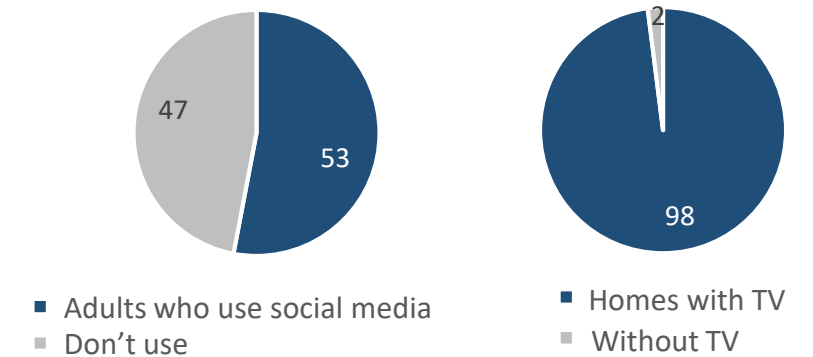
TV remains the #1 source of information on politics

- The number of adults who use social media is 53% of the total, while 98% of households have televisions. Thus, traditional media reaches out to a larger number of voters than social media.
- TV is singled out as the main source of political information by 63.7% of voters.
- Election programs and debates are mentioned by voters as the most influential means in the voting decision.

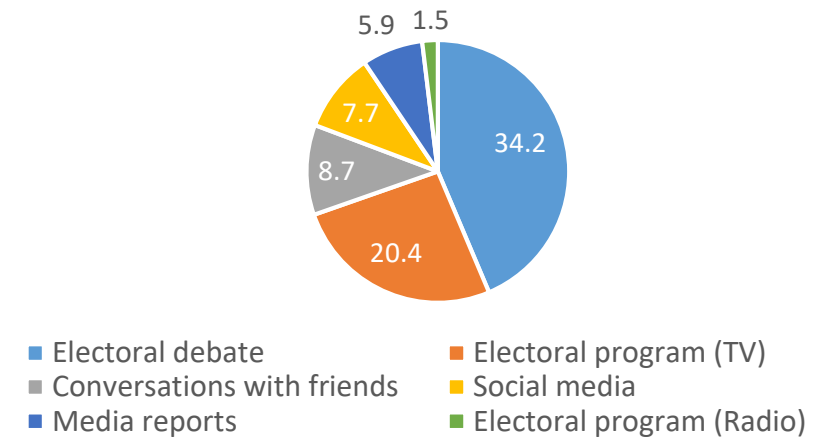
Access to political information (% of total)



Social media users and households with TV (% of total)



Means with greatest influence on voting decisions (% of total)



RULES

SECTION 6



Shorter campaign in 2018

Main rule changes (Laws 13,165 of 2015, and 13,488 of 2017)

	2018	Until 2014 elections
Election program	From August 16 to October 6 (52 days)	90 days starting from July 6
Free TV/radio campaign time	From August 31 to October 5 (35 days)	45 days starting in the middle of August
Duration of free radio/TV program	25 minutes for each of the two daily blocks	50 minutes for each of the two daily blocks
Duration of radio/TV insertions	70 daily minutes, with insertions of 30 or 60 seconds	30 daily minutes, with insertions of 15, 30 or 60 seconds
Division of radio/TV time	(i) 10% distributed equally between parties (ii) 90% distributed proportionally to the number of House Representatives elected previously, considering - in coalitions for majority elections (president and governor) - the total number of congressmen of the 6 largest parties in the coalition	(i) 2/3 distributed proportionally to the number of House Representatives, considering - in the case of a coalition - the total number of congressmen of all the coalition parties (ii) of the remainder, 1/3 distributed equally between the parties and 2/3 proportional to the number of congressmen previously elected to Congress, considering - in the case of a coalition - the total number of congressmen of all the coalition parties
Participation in TV debates	Guarantee of candidate's participation if affiliated parties have at least five congressmen. Participation of other candidates is optional	Guarantee of candidate's participation if affiliated parties have at least nine congressmen. Participation of other candidates is optional
Female participation	(i) Minimum of 10% of total election program time and party insertions exclusively for women (ii) 5% to 15% of party fund for female candidates	Less stimulus
Material for election program	Up to 0.5m ² in campaign banners/stickers	Up to 4m ²

Ban on corporate campaign financing

Main rule changes (Laws 13,165 of 2015, and 13,488 of 2017)

	2018	Until 2014 elections
Affiliation, electoral domicile and party registration	Six months before elections	One year before elections
Conventions	From July 20 to August 5	From June 12 to 30
Registration of applications	Until August 15	Until July 5
Campaign funding	<p>Ban on corporate donations.</p> <p>Special Campaign Financing Fund, consisting of:</p> <ul style="list-style-type: none"> i) 30% of all parliamentary bench amendments; ii) end of TV/radio election advertising revenue waiver; <p>Donations (including self donations) limited to 10% of the individual's income in the year prior to the election.</p>	<p>Companies could make donations to parties and candidates</p> <p>Donations (including self donations) limited to 10% of the individual's income in the year prior to the election.</p>
Candidates' spending limits	<p>President: up to R\$70mn in the 1st round and, in a 2nd round, only R\$35mn.</p> <p>Governor: between R\$2.8mn and R\$21mn, depending on the number of voters in the state. The 2nd round spending ceiling will be half of the 1st round limit.</p> <p>Senator: between R\$2.5mn and R\$5.6mn, depending on the number of voters in the state.</p> <p>House Representative: each candidate may have expenses of up to R\$2.5mn.</p> <p>State representative: each candidate may have expenses of up to R\$ 1mn.</p>	Defined by parties

More insertions make TV more important for candidates

- The change in the TV election program's format, with more insertions and less time for election ads, increases the importance of TV for candidates, since most people turn off their TV when ads start but don't when insertions start.
- Election propaganda time for presidential candidates decreased from 25min in the 2014 election to 12.5 min for each of the two blocks shown on Tuesdays, Thursdays and Saturdays. The time available for daily insertions of candidates contesting majority positions (president and governor) increased to 35min versus 15min in 2014.

Duration of campaign ads by candidate (for each of the two daily blocks)

Election campaign		
Tuesday, Thursday and Saturday		
	Until 2014	2018
President	25'	12'30"
Governor	25'	12'30"
Monday, Wednesday and Friday		
	Until 2014	2018
Federal Deputy	18'	9'
State Deputy	18'	9'
Senator	14'	7'

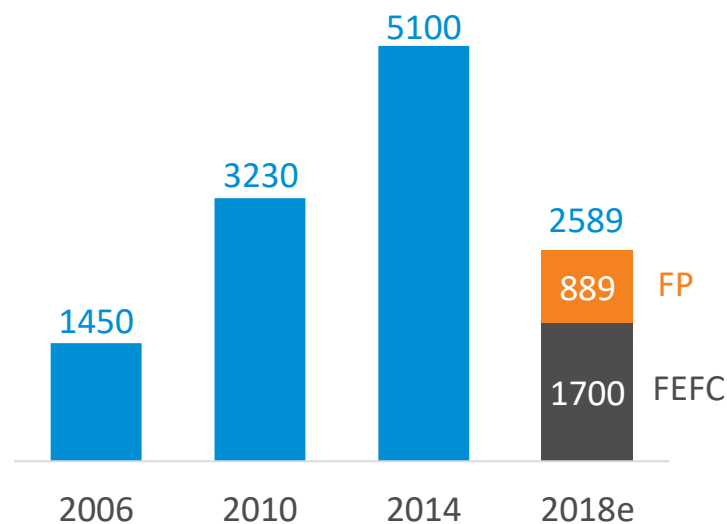
Duration of insertions by candidate (per day)

Insertions		
Everyday		
	Until 2014	2018
President and governor	15'	35'
Federal deputy, state deputy and senator	15'	35'
<p>The total time of insertions for presidential candidates in the 35 days of the TV election campaign will be 490 minutes and 30 seconds (981 insertions of 30 seconds), much higher than the 270 minutes (540 insertions of 30 seconds) in the 45-day TV campaigns up until 2014.</p>		

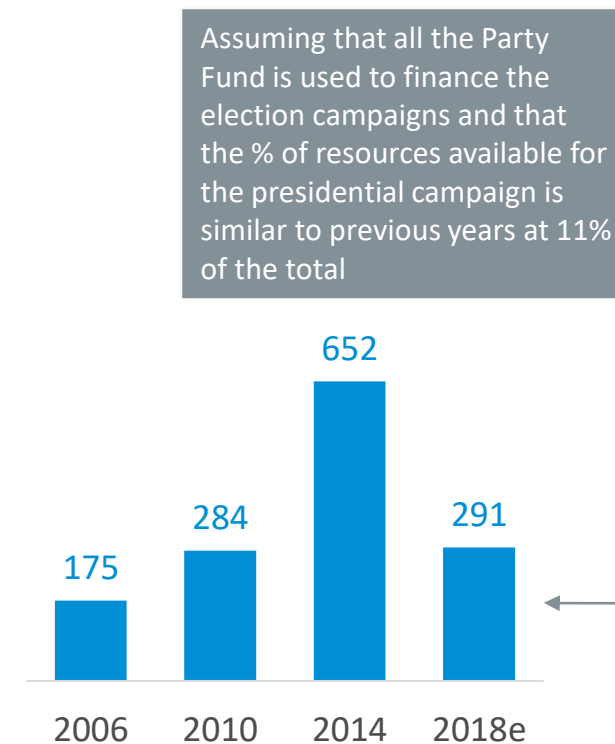
Less money to fund campaigns in 2018

- 2018 campaigns will be financed by: (i) the Special Campaign Financing Fund); (ii) the Party Fund; and (iii) donations by individuals (including self-donations), limited to 10% of their revenue in 2017
- Unless there is a significant increase in individual donations, the resources available for election campaign spending in 2018 will be well below 2014 levels.

Declared election campaign spending (R\$m)



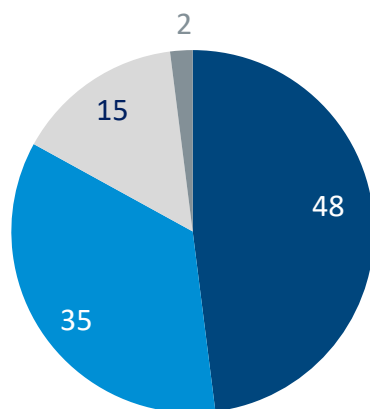
Presidential candidates' declared election campaign spending (R\$m)



Election funds are a key revenue source for campaigns

Due to the ban on campaign donations, Congress created the Special Campaign Financing Fund in 2017. This is one of the main revenue sources for running campaigns in the 2018 election.

Division of Special Campaign Financing Fund (%)

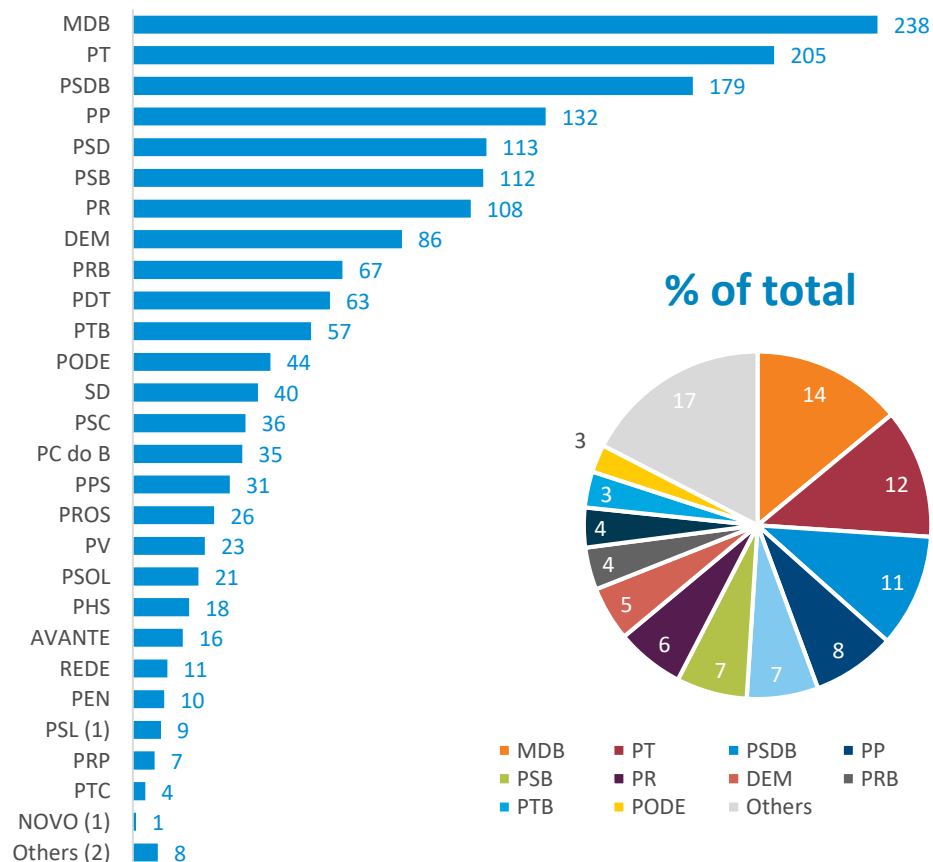


- Proportional to the # of House Representatives on August 28, 2018
- Proportional to the # of votes of the last election to the House of Representatives
- Proportional to the # of Senators on August 28, 2018
- Equally between parties

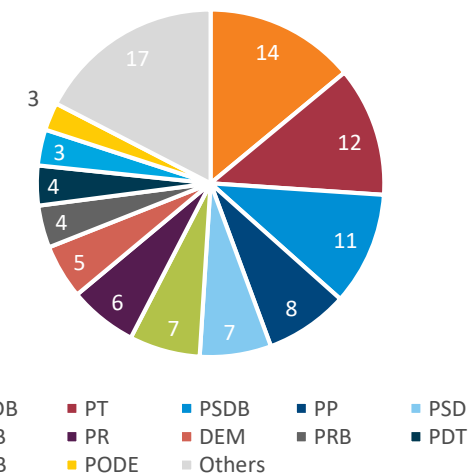
¹ NOVO and PSL gave up their funds and returned them to the government

² PMN, PMB, PSTU, PCB, PRTB, PSDC, PCO, PPL are entitled to R\$ 1 million each.

Division of Special Campaign Financing Fund (R\$m)



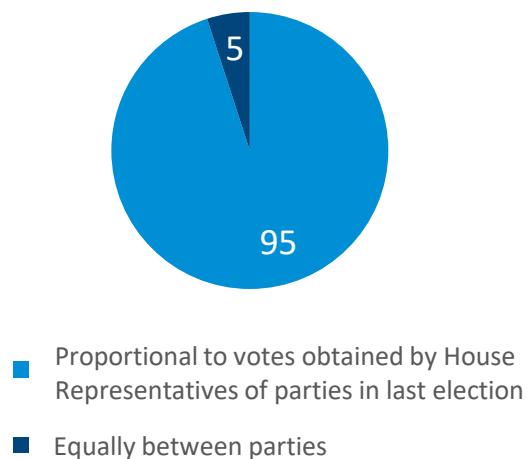
% of total



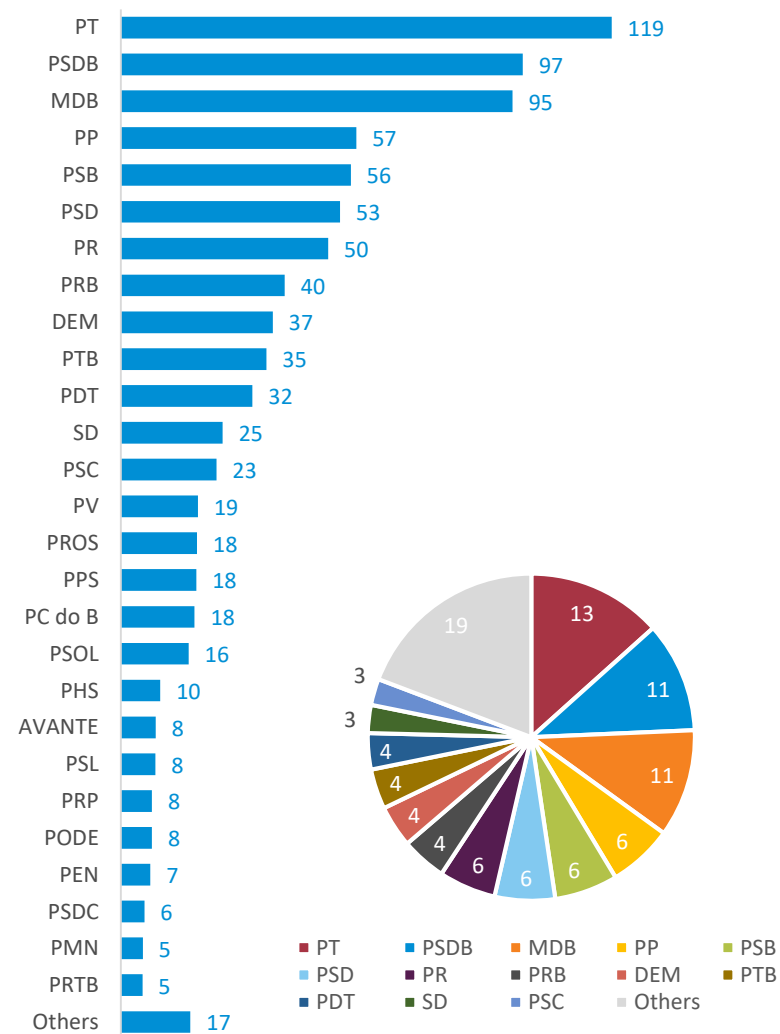
Five largest parties have ~50% of Party Fund

- All 35 parties registered at Electoral Court are entitled to a chunk of the Party Fund.
- Fund resources are not only used to finance campaigns. Part of the fund is used to finance parties' operations (HQ upkeep, paying staff, events, etc.).

Division of Party Fund (%)



Division of Party Fund (R\$m)



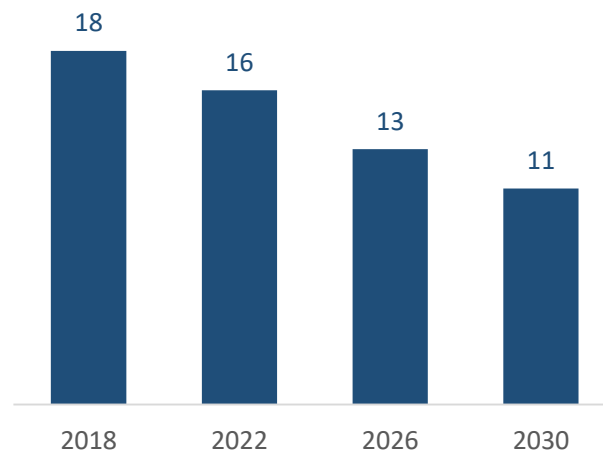
Barrier clause should reduce the number of parties

- To gain access to the Party Fund and to free radio/TV election advertising time in 2018, the barrier clause requires parties to have met one of two criteria in the previous elections: (i) 1.5% of valid votes, in at least nine states, and at least 1% of votes in each state; (ii) nine state congressmen, in at least 9 of Brazil's 27 states. This percentage rises 50bps each national election, until reaching 3% in 2030, in at least nine states, with at least 2% of votes in each.

Barrier clauses for upcoming elections

	Elections 2018	Elections 2022	Elections 2026	Elections 2030
% of valid votes	1.5	2.0	2.5	3.0
Distributed in at least nine of the federated units of Brazil, with at least the following percentage of valid votes	1.0	1.0	1.5	2.0
Minimum number of deputies, distributed in at least 9 of the federated units	9.0	12.0	15.0	18.0

Number of parties if the barrier clause were in effect since 2014



If the 2018 rule had been in effect in 2014, 18 parties would have had sufficient valid votes to access the Party Fund and free radio/TV election advertising time.

TIMETABLE

SECTION 7



Timetable and main events

17 Sep	Last day for Electoral Court to judge the applications for registration of candidates Last day for replacement of candidates for majority and proportional positions, except in case of death
17-21 Sep	Interview with presidential candidates on Jornal da Globo
19 Sep	Presidential debate with Veja magazine (9am)
20 Sep	Presidential debate on TV Aparecida (10am)
26 Sep	Presidential debate on SBT (6:20pm)
30 Sep	Presidential debate on Record (10pm)
04 Oct	Presidential debate on Globo (9:30pm) End of the electoral campaign on TV and radio
07 Oct	1st round of the elections
11 Oct	Presidential debate on Band (10pm)
12-26 Oct	Period of TV/radio election campaign time
14 Oct	Presidential debate on TV Gazeta / Estadão (7:30pm)
15 Oct	Presidential debate on Rede TV! (10pm)
17 Oct	Presidential debate on SBT (6:20pm)
21 Oct	Presidential debate on Record (10pm)
25-26 Oct	Presidential debate on Globo (9:30pm)
28 Oct	2nd round of elections

Analysts

Claudio Ferraz

Head – Brazil, Mexico

claudio.ferraz@btgpactual.com

+55 21 3262 9758

Bruno Balassiano

bruno.balassiano@btgpactual.com

+ 55 21 3262 9637

André Batista

andre.batista@btgpactual.com

+55 21 3262 9843

Priscilla Burity

priscilla.burity@btgpactual.com

+55 21 3262 9278

Rafael Costa

rafael.costa@btgpactual.com

+55 21 3262 9059

Iana Ferrão

iana.ferrao@btgpactual.com

+55 11 3383-3453

Luis Oscar Herrera

Head – Argentina, Chile, Colombia, Peru

luis.herrera@btgpactual.com

+562 2587 5442

Andres Borenstein

andres.borenstein@btgpactual.com

+54 11 3754 0908

Alejo Costa

Alejo.Costa@btgpactual.com

+54 11 3754 0945

Pablo Cruz

pablo.cruz@btgpactual.com

+562 2587 5903

Carolina Gialdi

Carolina.Gialdi@btgpactual.com

+5411 37540947

Sergio Olarte

sergio.olarte@btgpactual.com

+57 1 307 8090 316



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