OFFERING CIRCULAR

U.S.$4,000,000,000

The Republic of Ecuador

U.S.$2,200,000,000 8.750% Notes due 2034
U.S.$1,800,000,000 9.250% Notes due 2039

The Republic of Ecuador (the "Republic" or "Ecuador" or the "Issuer") is offering U.S.$2,200,000,000 aggregate principal amount of 8.750% Notes due 2034 (the "2034 Notes") and U.S.$1,800,000,000 aggregate principal amount of 9.250% Notes due 2039 (the "2039 Notes," and, together with the 2034 Notes, the "Notes"). Interest on the Notes will be payable semi-annually in arrears on January 29 and July 29 of each year, commencing on July 29, 2026. The 2034 Notes will amortize such that principal on the 2034 Notes will be repaid in three installments on each of January 29, 2032, January 29, 2033 and January 29, 2034 (*i.e.*, the maturity date). The 2039 Notes will amortize such that principal on the 2039 Notes will be repaid in three installments on each of January 29, 2037, January 29, 2038 and January 29, 2039 (*i.e.*, the maturity date).

The Notes will be general, direct, unsecured, unsubordinated and unconditional obligations of the Republic, will be backed by the full faith and credit of the Republic and will rank equally in terms of priority with the Republic's External Indebtedness, as defined in "*Description of the Notes*," provided that such ranking is in terms of priority only and does not require that the Republic make ratable payments on the Notes with payments made on its other External Indebtedness.

The Notes will contain provisions, commonly known as "collective action clauses," regarding acceleration of the Notes and voting on future amendments, modifications and waivers to the terms and conditions of the Notes. These provisions, which are described in the sections entitled "*Description of the Notes—Events of Default*" and "*Description of the Notes—Modifications–Collective Action*," differ from those applicable to certain of the Republic's outstanding External Indebtedness (as defined herein). Under those provisions, the Republic may: (a) amend the payment provisions of each Series of Notes and certain other reserved matters with the consent of the holders of 75% of the aggregate amount of the outstanding Series of Notes and other non-reserved matters with the consent of the holders of 66⅔% of the aggregate amount of the outstanding Series of Notes; (b) make reserved matter modifications affecting two or more series of debt securities with the consent of (x) holders of at least 66⅔% of the aggregate principal amount of the outstanding debt securities of all series that would be affected by that reserved matter modification (taken in aggregate) and (y) holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each affected series (taken individually); or (c) make reserved matter modifications affecting two or more series of debt securities with the consent of holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series (taken in aggregate), *provided* that the Uniformly Applicable condition is satisfied, as more fully described in "*Description of the Notes—Modifications—Collective Action*."

The Republic will be entitled at its option to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus a "make-whole premium" plus accrued and unpaid interest, if any, to, but not including, the redemption date, as described in this Offering Circular. See "*Description of the Notes—Optional Redemption*."

Except as described herein, payments on the Notes will be made without deduction for or on account of withholding taxes imposed by the Republic. There is currently no public market for the Notes. This Offering Circular has been approved as a prospectus issued in compliance with Part 2 of the rules and regulations of the Luxembourg Stock Exchange by the Luxembourg Stock Exchange in its capacity as competent authority under Part IV of the Luxembourg law of July 16, 2019 on prospectuses for securities (the "Prospectus Law") for the purposes of giving information with regard to the issue of the Notes. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange (the "Official List") and for such Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "Euro MTF Market"). References in this Offering Circular to Notes being "listed" on the Luxembourg Stock Exchange (and all related references) shall mean that such Notes have been admitted to listing on the Official List and have been admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of the Directive 2014/65/EU on markets in financial instruments. The Notes are and will be issued in registered form and, in limited circumstances, definitive form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

See "*Risk Factors*" beginning on page 30 regarding certain risk factors investors should consider before investing in the Notes.

2034 Notes Price: 100.000%
2039 Notes Price: 100.000%

plus accrued interest, if any, from January 29, 2026.

Delivery of the Notes will be made on or about January 29, 2026.

The Notes have not been nor will be registered under the Securities Act of 1933, as amended (the "Securities Act"). The Notes may not be sold within the United States or to U.S. persons except to "qualified institutional buyers" in reliance on the exemption from registration provided by Rule 144A under the Securities Act and offered and sold to certain persons in "offshore transactions" in reliance on Regulation S under the Securities Act ("Regulation S"). Investors are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

The Notes will be represented by one or more permanent global notes in fully registered form without interest coupons, deposited with a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests of Euroclear participants in the global notes will be shown on, and transfers thereof between Euroclear participants will be effected only through, records maintained by Euroclear and its direct and indirect participants, including Clearstream. See "*Book-Entry Settlement and Clearance*."

Global Coordinators, Joint Bookrunners and Structuring Agents

BofA Securities **Citigroup**

Financial Advisor to the Government

Centerview Partners

The date of this Offering Circular is January 26, 2026.

ECUADOR
GALAPAGOS ISLANDS
(Archipiélago de Colón)
0 50 100 Kilometers
0 50 100 Miles
I. Darwin
I. Wolf
I. Pinta
I. Marchena
I. Genovesa
Equator
PACIFIC
OCEAN
I. San Salvador
I. Santa Cruz
I. Fernandina
I. San Cristóbal
Puerto Villamil
Puerto Ayora
Puerto Baquerizo Moreno
Isla Isabela
I. Santa María
I. Española
COLOMBIA
PERU
PACIFIC
OCEAN
Equator
QUITO
Popayán
Tumaco
Barbacoas
Pitalito
Florencia
Altamira
Valdez
La Tola
San Lorenzo
Pasto
Mocoa
Esmeraldas
Tulcán
Ipiales
Orito
Puerto Asís
Puerto Colón
San Miguel
Tres Esquinas
Muisne
Rosa Zárate
Cojimíes
Pedernales
Otavalo
Ibarra
Cayambe
Nueva Loja
Puerto El Carmen de Putumayo
Shushufindi
El Carmen
Santo Domingo de los Colorados
Sangolquí
Machachi
Baeza
Puerto Francisco de Orellana
Bahía de Caráquez
Tosagua
Chone
Manta
Latacunga
Tena
Nuevo Rocafuerte
Pantoja
Montecristi
Portoviejo
Velasco Ibarra
Quevedo
Ambato
Jipijapa
Balzar
Isla de La Plata
Vinces
Ventanas
Baños
Puyo
Cononaco
Tarqui
Bocana
Guaranda
Riobamba
Babahoyo
Guamote
Milagro
Guayaquil
Bucay
Río Tigre
Montalvo
Salinas
Santa Elena
La Libertad
Durán
Alausí
Macas
Sucúa
Marsella
Naranjal
Azogues
Playas
Posorja
Isla Puná
Cuenca
General Leonidas Plaza Gutiérrez
Andoas
Golfo de Guayaquil
Subteniente Castro
Isla Santa Clara
Machala
Puerto Bolívar
Pasaje
Guaranda
Huaquillas
Tumbes
Zorritos
Saraguro
Pavayacu
Catamayo
Catacocha
Loja
Zamora
Macará
Borja
Talara
Suyo
Zumba
Sullana
Paita
Piura
Huancabamba
San Ignacio
Pan-American Highway
Río Napo
Río Pastaza
Río Santiago
Río Morona
Río Marañón
Río Zamora
Río Carrizal
Río Catamayo
Río Chinchipe
International boundary
Road
Railroad (some segments of the rail network may be inoperable)
National capital
Major airport
Major port
0 50 100 Kilometers
0 50 100 Miles
Scale 1:4,500,000

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE REPUBLIC OF ECUADOR AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED.

Investors should rely only on the information contained in this Offering Circular or to which the Republic of Ecuador has referred investors. This Offering Circular supersedes any other materials dated prior to the date hereof. Ecuador has not, and the Global Coordinators, Joint Bookrunners and Structuring Agents have not, authorized anyone to provide information that is different from the information contained in this Offering Circular. This Offering Circular may only be used where it is legal to sell these Notes. The information in this Offering Circular may only be accurate on the date of this Offering Circular.

This Offering Circular may only be used for the purposes for which it has been published.

OFFICIAL STATEMENTS

The information set forth herein is included on the authority of the Republic. The information included herein which is identified as being taken or derived from a publication of the Republic or one of its agencies or instrumentalities is included herein on the authority of each such publication, in each case, as a public official document of the Republic.

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The Notes will be general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador, will be backed by the full faith and credit of Ecuador and will rank equally in terms of priority with Ecuador's External Indebtedness, as defined in "Description of the Notes," *provided* that such ranking is in terms of priority only and does not require that Ecuador make ratable payments on the Notes with payments made on its other External Indebtedness.

The Notes will be issued in registered form only. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S") will be represented by one or more permanent global notes in fully registered form without interest coupons (the "Regulation S Global Note") and the Notes sold in the United States to qualified institutional buyers (each a "qualified institutional buyer") as defined in, and in reliance on, Rule 144A under the Securities Act ("Rule 144A") will be represented by one or more permanent global notes in fully registered form without interest coupons (the "Restricted Global Note" and, together with the Regulation S Global Note, the "Global Notes"), in each case deposited with and registered in the nominee name of a common depositary for Euroclear for the respective accounts at Euroclear as such subscribers may direct. Beneficial interests of Euroclear participants (as defined under "*Book-Entry Settlement and Clearance*") in the Global Notes will be shown on, and transfers thereof between Euroclear participants will be effected only through, records maintained by Euroclear and its direct and indirect participants, including Clearstream. See "*Book-Entry Settlement and Clearance*." Except as described herein, definitive Notes will not be issued in exchange for beneficial interests in the Global Notes. See "*Description of the Notes—Definitive Notes*." For restrictions on transfer applicable to the Notes, see "*Transfer Restrictions.*"

The Republic has taken reasonable care to ensure that the information contained in this Offering Circular is true and correct in all material respects and not misleading as of the date hereof, and that, to the best of the knowledge and belief of the Republic, there has been no omission of information which, in the context of the issue of the Notes, would make this Offering Circular as a whole or any information included in this Offering Circular, misleading in any material respect. The Republic accepts responsibility accordingly.

This Offering Circular does not constitute an offer by, or an invitation by or on behalf of, the Republic, or BofA Securities, Inc. and Citigroup Global Markets Inc., as Global Coordinators, Joint Bookrunners and Structuring Agents in respect of the placement of the Notes (the "Global Coordinators, Joint Bookrunners and Structuring Agents") to subscribe to or purchase any of the Notes. Each recipient shall be deemed to have made its own investigation and appraisal of the financial condition of the Republic. The distribution of this Offering Circular or any part of it and the offering, possession, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Republic and the Global Coordinators, Joint Bookrunners and Structuring Agents to inform themselves about and to observe any such restrictions. See "*Transfer Restrictions*" for a description of further restrictions on the offer, sale and delivery of Notes, the distribution of this Offering Circular, and other offering material relating to the Notes.

Each person acquiring a Regulation S Global Note will be deemed to have represented that it is not acquiring Notes with a view to distribution thereof in the United States.

Each person acquiring a Restricted Global Note will be deemed to:

- represent that it is acquiring the Notes for its own account or an account with respect to which it exercises sole investment discretion and that it or such account is a qualified institutional buyer (as defined in Rule 144A); and

- acknowledge that the Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be reoffered, resold, pledged or otherwise transferred except as described under "*Transfer Restrictions.*"

Each person acquiring a Restricted Global Note also acknowledges that:

- it has been afforded an opportunity to request from the Republic and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of the information herein

and acknowledges that this Offering Circular supersedes any other information or presentation regarding the Republic;

- it has not relied on the Global Coordinators, Joint Bookrunners and Structuring Agents, or any person affiliated with the Global Coordinators, Joint Bookrunners and Structuring Agents in connection with its investigation of the accuracy of the information contained in this Offering Circular or its investment decision;

- no person has been authorized to give any information or to make any representation concerning the Republic or the Notes other than those contained in this Offering Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Republic or the Global Coordinators, Joint Bookrunners and Structuring Agents; and

- the Notes are not intended to be offered, sold or otherwise made available, to and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

IN CONNECTION WITH THIS ISSUANCE OF NOTES, EACH OF THE GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND STRUCTURING AGENTS MAY, ITSELF OR THROUGH ITS AFFILIATES, OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL IN THE OPEN MARKET, TO THE EXTENT PERMITTED BY APPLICABLE LAWS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PRESENTATION OF INFORMATION

Unless otherwise specified or the context requires, references to "U.S. dollars," "$" and "U.S.$" are to United States dollars.

References to the "Republic" and "Ecuador" are to the Republic of Ecuador, references to the "Government" are to the Government of the Republic of Ecuador and the use of the term "Governmental" shall be with regards to the Government of the Republic of Ecuador.

References to "FOB" are to exports free on board and to "CIF" are to imports including cost, insurance and freight charges.

References to laws that are "published" are to laws that have been approved by the *Asamblea Nacional* (the "National Assembly"), a single chamber national assembly elected through direct popular vote for a four-year period, and confirmed by the President.

Certain figures included in this Offering Circular have been rounded for ease of presentation. Percentage figures included in this Offering Circular have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding.

Certain economic and financial data in this Offering Circular is derived from information previously published by *Banco Central del Ecuador* (the "Central Bank") and other Governmental entities of Ecuador. This data is subject to correction and change in subsequent publications.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements (as such term is defined in the Securities Act) concerning the Republic. These statements are based upon beliefs of certain Government officials and others as well as a number of assumptions and estimates that are inherently subject to significant uncertainties, many of which are beyond the control of the Republic. Future events may differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements include information contained in the sections "Summary," "The Republic of Ecuador," "The Ecuadorian Economy," "Balance of Payments and Foreign Trade," "Monetary System," "Public Sector Finances" and "Public Debt" as well as:

External factors, such as:

- lower petroleum and mineral prices, which could adversely affect Ecuador's economy, fiscal accounts and International Reserves;
- damage to and volatility in the international capital markets for emerging markets issuers caused by economic conditions in other emerging markets or changes in policy of Ecuador's trading partners and the international capital markets generally, which could create less favorable conditions for Ecuador's planned borrowing;
- changes in import tariffs and exchange rates of other countries, which could harm Ecuador's exports and, as a consequence, have a negative impact on the growth of Ecuador's economy;
- recession or low growth in the economies of Ecuador's trading partners, particularly of the United States and the European Union, which could lead to fewer exports and affect Ecuador's growth;
- a deterioration in relations between Ecuador and other countries in the region or other disruptions to Ecuador's international relations;
- changes in the credit rating of the Republic;
- the impact of changes in the international price of commodities and, in particular, oil;
- higher international interest rates, which could increase Ecuador's debt service requirements and require a shift in budgetary expenditures toward additional debt service;
- terrorist attacks in the United States or elsewhere, acts of war, or any general slowdown in the global economy; and
- global geopolitical shocks affecting Ecuador's key trading partners, which may disrupt trade flows, external demand, supply chains or financial conditions.

Internal factors, such as:

- social and political unrest in Ecuador;
- Ecuador's ability to continue to attract foreign investment;
- continued public support for Ecuador's current economic policies;
- Ecuador's level of domestic debt;
- general economic and business conditions in Ecuador;

- domestic security challenges, including the impact of internal security conditions and organized crime on investment, tourism and overall economic activity;

- the sustainability and governability of structural reforms, including the implementation of measures affecting the transportation and agricultural sectors; and

- other factors identified or discussed under "*Risk Factors.*"

In addition, in those and other portions of this Offering Circular, the words "anticipates," "believes," "contemplates," "estimates," "expects," "plans," "intends," "projections" and similar expressions, as they relate to the Republic, are intended to identify forward-looking statements.

Undue reliance should not be placed on forward-looking statements, which are based on current expectations. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in forward-looking statements. Many of the factors that will determine these results and values are beyond the Republic's ability to control or predict. Because of the risks and uncertainties involved, an investment decision based on the estimates and forward-looking statements should not be made. All forward-looking statements and risk factors included in this Offering Circular are made as of the date on the front cover of this Offering Circular, based on information available to the Republic as of such date, and Ecuador assumes no obligation to update any forward-looking statement or risk factor.

ARBITRATION AND ENFORCEABILITY

The Republic of Ecuador

The Republic is a sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments in the courts of the United States or otherwise to enforce the Republic's obligations under the Notes. Under its Constitution, the Republic recognizes arbitration, mediation and other alternative dispute resolution proceedings for the resolution of controversies. The Republic has not consented to the jurisdiction of any court in connection with actions arising out of relating to or having any connection with the Notes and has submitted itself to arbitration under the LCIA Rules (as defined below). This submission to arbitration has been approved by the *Procuraduria General del Estado* ("Office of the Attorney General") as the competent body of the Republic which allows state courts to decide certain matters as described below. See "*Description of the Notes—Sovereign Immunity*." The Republic has agreed to the following arbitration provisions (which are governed by English law) as part of the terms and conditions of the Notes under the Indenture, dated as of August 31, 2020, between the Republic and The Bank of New York Mellon, as trustee and registrar (the "Trustee") and The Bank of New York Mellon, London Branch, as paying agent and account bank (the "Indenture"):

(a) Any dispute, controversy or claim of any nature arising out of, relating to or having any connection with the Indenture, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of the Indenture (a "Dispute") where the Republic is either a party, claimant, respondent or is otherwise necessary thereto, will not be referred to a court of any jurisdiction and will instead be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration ("LCIA") ("LCIA Rules" as at present in force and as modified by the Indenture, in which LCIA Rules are deemed to be incorporated by reference. The provisions in the LCIA Rules regarding an Emergency Arbitrator shall not apply. In particular:

(i) There will be three arbitrators.

(ii) Each arbitrator will be an English or New York qualified lawyer of at least 15 years' standing with experience in relation to international banking or capital markets disputes. At least one of those arbitrators will be a lawyer qualified in New York.

(iii) If there are two parties to the Dispute, each party will be entitled to nominate one arbitrator. If there are multiple claimants and/or multiple respondents, all claimants and/or all respondents will attempt to agree upon their respective nomination(s) such that the claimants will together be entitled to nominate one arbitrator and the respondents will together be entitled to nominate one arbitrator. If any such party or multiple parties fail to nominate an arbitrator within 30 days from and including the date of receipt of the relevant request for arbitration, an arbitrator will be appointed on their behalf by the LCIA Court in accordance with the LCIA Rules and applying the criteria at clause (ii) above. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrator(s) will be appointed in accordance with the LCIA Rules.

(iv) The third arbitrator and chairman of the arbitral tribunal will be appointed by the LCIA Court in accordance with the LCIA Rules and applying the criteria at clause (ii) above.

(v) The seat, or legal place, of arbitration will be London, England.

(vi) The language to be used in the arbitration will be English. The arbitration provisions contained in the Indenture will be governed by English law.

(vii) Without prejudice to any other mode of service allowed by law, the Republic thereby appoints Law Debenture Corporate Services Limited, with its registered office at 5/F, 100

Wood Street, EC2V 7EX, London, England (the "Process Agent") as its agent under the Indenture for service of process in relation to any proceedings before the English courts in relation to any arbitration contemplated by the Indenture or in relation to recognition or enforcement of any such arbitral award obtained in accordance with the Indenture.

If the Process Agent is unable to act as the Republic's agent under the Indenture for the service of process, the Republic must immediately (and in any event within ten days of the event taking place) appoint another agent (a "Replacement Agent") on terms acceptable to the Trustee.

The Republic agrees that failure by the Process Agent or, as applicable, a Replacement Agent, to notify the Republic of the process will not invalidate the proceedings concerned.

Under the terms of the Notes, each holder of the Notes is deemed to have agreed to the use of arbitration under the LCIA Rules to resolve any dispute, controversy or claim of any nature arising out of, relating to or having any connection with the Notes. Accordingly, any court proceedings brought against the Republic by a holder of the Notes (other than to enforce an arbitration award) may be stayed in favor of arbitration.

The Republic has not waived sovereign immunity in relation to the Notes. The Republic has, however, undertaken not to invoke any defense on the basis of any kind of immunity, for itself and/or its assets, which do not constitute "Immune Property" in respect of legal actions or proceedings in connection with the Notes.

"Immune Property," in accordance with the provisions of the laws of the Republic, means:

(a) any property which is used or designated for use in the performance of the functions of the diplomatic mission of Ecuador or its consular posts;

(b) aircraft, naval vessels and other property of a military character or used or designated for use in the performance of military functions;

(c) property forming part of the cultural heritage of Ecuador or part of its archives;

(d) unexploited natural non-renewable resources in Ecuador;

(e) funds managed in the national Treasury Account;

(f) assets and resources comprising available monetary reserves of Ecuador;

(g) public domain assets used for providing public services in Ecuador;

(h) national assets located in the territory of Ecuador and belonging to the Republic, such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;

(i) accounts of the Central Bank, whether they are held abroad or locally; and

(j) public entities' deposits with the Central Bank, whether they are maintained abroad or locally.

The decision of any arbitral tribunal shall be final to the fullest extent permitted by law. The Republic submits to the jurisdiction of any Ecuadorian court or of any court outside the Republic in connection with a properly obtained arbitral award, and such an arbitral award may be enforced in any jurisdiction in accordance with the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958. The Republic also submits to the jurisdiction of the English courts in connection with any proceedings invoking the supervisory jurisdiction of those courts in relation to an arbitration conducted pursuant to the Indenture.

Any award rendered by an arbitral tribunal properly constituted under the Purchase Agreement, the Indenture or the Notes (as the case may be), would be enforceable against the Republic as a local arbitration award, without a homologation process.

The Indenture contains a further provision which provides that any dispute between the Trustee and the holders of the Notes only, will be subject to the non-exclusive jurisdiction of the courts of New York. This provision is as follows:

> *Any Dispute between the Trustee and any holders or holders only and where the Republic is not a party, claimant, respondent or otherwise is necessary thereto, shall be subject to the non-exclusive jurisdiction of any New York State or United States federal court sitting in the Borough of Manhattan, the City of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Indenture (except actions or proceedings arising under or in connection with U.S. federal and state securities laws), and the Trustee and the holders hereby irrevocably submit to such jurisdiction and agree that all claims in respect of such Dispute may be heard and determined in such New York State or United States federal court.*

EXCHANGE RATE INFORMATION

In January of 2000, following several weeks of severe exchange-rate depreciation of the sucre, the Republic announced that it would dollarize the economy. On March 1, 2000, the Ecuadorian Congress approved the *Ley para la Transformación Económica del Ecuador* ("Ecuadorian Economic Transformation Law" or the "Dollarization Program"), which made the U.S. dollar the legal tender in Ecuador. The Ecuadorian Economic Transformation Law provided for the Central Bank to exchange, on demand, sucres at a rate of 25,000 sucres per U.S.$1.00. In addition to providing an official basis to dollarize the economy, the law contained reforms aimed at strengthening fiscal stability, improving banking supervision and establishing rules to encourage direct investment. Since the passage of the Ecuadorian Economic Transformation Law, the U.S. dollar has been the legal tender in Ecuador. Due to the Dollarization Program, the ability of the Republic, and/or the Central Bank to adjust monetary policy and interest rates in order to influence macroeconomic trends in the economy is limited.

SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by, and is subject to, the detailed information appearing elsewhere in this Offering Circular.

The Republic of Ecuador

Ecuador is one of the smallest countries in South America, covering an area of approximately 109,483 square miles (283,561 square kilometers). Located on the north-western coast of the continent, it shares a 950-mile border with Peru to the south and the east, a 373-mile border with Colombia to the north, and a 1,452-mile coastline to the Pacific Ocean to the west. The country encompasses a wide range of geographic areas and climates, including the Pacific coastal plains, the Sierra (consisting of the Andean highland region), the Oriente (characterized by the Amazonian tropical rain forest) and the Galapagos Islands region located in the Pacific Ocean approximately 600 miles from the coast.

Recent Developments

Government

Ecuador has continued to operate within its constitutional and institutional framework, channeling political debate through established democratic processes, including elections, referenda and legislative processes. Although the period under review witnessed episodes of political tension, these were managed through formal constitutional procedures, reinforcing institutional continuity, legal certainty, and the orderly functioning of public institutions. The current administration continues to operate within a stable constitutional order and has maintained effective policy-implementation capacity, particularly in fiscal management, budget administration, and the governance of public finances.

The previous administration under former President Lasso faced strong political opposition from early in its term, including calls for resignation and repeated attempts by the National Assembly of Ecuador (the "National Assembly") to pursue mechanisms that could impeach and remove the President from office or trigger early elections.

In this context, and after obtaining authorization from the Constitutional Court on November 29, 2022, the then-President Lasso called a constitutional referendum to coincide with the February 2023 local elections. The referendum submitted eight proposals to amend different articles of the 2008 Constitution. These proposals addressed, among other matters, extradition, judicial reforms and changes to state organizations (such as reducing the seats in the National Assembly, modifying membership requirements for political parties, and revising the appointment processes for certain Government positions and the *Consejo de Participación Ciudadana y Control Social* (the "Council for Citizen Participation and Social Control")). Additional questions related to the creation of a water protection agency and enhanced environmental protections for individuals, communities and indigenous groups. All eight proposals were rejected by voters, increasing political uncertainty.

Separately, in early 2023, opposition legislators in the National Assembly initiated impeachment proceedings against former President Lasso based on accusations of embezzlement. The case was focused on a 2020 contract between a state-owned oil transport company and an international shipping firm. Although the contract predated his presidency, the National Assembly's alleged that former President Lasso allowed it to continue, despite reported irregularities, resulting in significant economic losses for the Republic. On March 29, 2023, the Constitutional Court authorized the impeachment process to proceed solely on the embezzlement charge, dismissing earlier allegations of bribery and misuse of public funds. Former President Lasso consistently denied the accusations, claiming they were politically motivated and lacked sufficient evidence.

On May 17, 2023, with an impeachment vote approaching, former President Lasso invoked Article 148 of the Constitution—known as the "*muerte cruzada*" (mutual death) provision—to dissolve the National Assembly and call for early presidential and legislative elections. Once invoked, the President must call new elections within 90 days and may govern by urgent-economic decree during the interim period.

The campaign period leading up to these elections was marked by the assassination of presidential candidate Fernando Villavicencio on August 9, 2023, underscoring escalating violence linked to organized crime. Against this backdrop, the snap elections were held in 2023. Daniel Noboa won the second-round vote held on October 15, 2023, defeating Luisa González. President Noboa took office on November 25, 2023, to complete the remainder of the term. Ecuador's electoral system requires a candidate to win either more than 50% of valid votes, or at least 40% with a margin of 10 percentage points, to avoid a runoff. In line with this framework, President Noboa later secured his movement's nomination for the February 2025 presidential election, with Luisa González of the Citizen Revolution Movement again serving as his principal opponent.

The general elections held on February 9, 2025 marked Ecuador's return to its regular calendar following the 2023 snap elections. Sixteen candidates participated, but the contest centered on President Noboa, representing the National Democratic Action (ADN) alliance with running mate María José Pinto, and Luisa González of the Citizen Revolution Movement (RC), accompanied by Diego Borja. The first round produced one of the closest margins in recent years, with Noboa receiving 44.17% of valid votes and González 44.0%.

During the runoff campaign, Noboa emphasized security policy continuity, institutional modernization, and investment-oriented economic reforms, while González focused on social spending, institutional checks, and critiques of emergency powers. The campaign remained polarized but proceeded within the established constitutional framework. In the April 13 runoff, Noboa won with 55.6% of the vote. The inauguration of Noboa and Vice President Pinto on May 24 marked the beginning of a full four-year term.

Since assuming office in November 2023, President Noboa has adopted several measures to address Ecuador's adverse security developments. In January 2024, he declared that Ecuador was in an "internal armed conflict" against 22 organized crime groups involved in drug trafficking and illegal mining and, through Presidential Decree 377, extended a state of emergency to six provinces. He also militarized prisons to restore order in facilities dominated by criminal gangs. In May 2024, he declared a new security state of emergency. See further "*The Republic of Ecuador—Surge in Violence and Organized Crime*."

Alongside this security agenda, the Noboa administration advanced a broader policy package combining fiscal initiatives with institutional reforms. In 2023, the Noboa administration enacted the Organic Law for Economic Efficiency and Job Creation (*Ley Orgánica de Eficiencia Económica y Generación de Empleo*), aimed at increasing Ecuador's revenue by approximately U.S.$832 million, and raised the monthly minimum wage to U.S.$460 for 2024 and U.S.$470 for 2025.

On March 15, 2024, President Noboa issued Decree 198, increasing the general VAT rate from 13% to 15%, effective April 1, 2024. Although the underlying statute permanently sets the base VAT rate at 13%, it authorizes the President to raise it to 15%, and the Government has since maintained the VAT at this higher rate as part of its fiscal consolidation strategy to strengthen revenues and reduce the budget deficit. The increase was enacted pursuant to the Organic Law to Address Internal Armed Conflict and the Social and Economic Crisis, which entered into force on March 12, 2024.. See further "*The Ecuadorian Economy—President Noboa's First Administration.*"

Consistent with this policy direction, on April 21, 2024, President Noboa called for a constitutional referendum and public consultation. Voters approved 9 out of 11 proposals, largely focused on enhancing security and institutional reforms, thereby supporting additional measures aligned with the Government's security and institutional agenda.

However, subsequent referendum dynamics in November 2025 highlighted ongoing political and legislative and broader governability challenges. In a that referendum voters rejected all four government-backed proposals, including measures to authorize foreign military bases, reduce the size of the legislature, cut mandatory political party financing and convene a Constituent Assembly. The rejection of these proposals, despite President Noboa's approval ratings and recent re-election, was viewed as a setback to his broader reform agenda and underscored persistent constraints on political consensus and legislative coalition-building. While the avoidance of a Constituent Assembly reduced the risk of prolonged constitutional uncertainty, the outcome diminished the President's political capital and contributed to uncertainty regarding the passage and implementation of further fiscal and structural reforms, as well as the Government's ability to advance additional elements of its institutional modernization program.

Against this backdrop, developments throughout 2025 reflected a mixed but consequential reform landscape in Ecuador. While the November 2025 referendum represented a setback for President Daniel Noboa's reform agenda, the year also saw significant legislative and executive activity. The National Assembly approved multiple economically urgent laws promoted by the Executive, several of which remain in force, alongside other reforms strengthening public security, public procurement, and the monetary and financial framework, although two flagship initiatives were later struck down as unconstitutional by the Constitutional Court, underscoring institutional checks and legal uncertainty. At the same time, the Government secured approval of the 2026 Budget and the 2026–2029 multi-year fiscal framework without legislative objections, reflecting improved alignment with an expanded officialist majority within the Assembly and its governing bodies. The Executive advanced an administrative efficiency plan through ministerial mergers and reorganizations, implemented sensitive economic measures such as the elimination of the diesel subsidy, and pursued reforms in public health procurement and management. See further "*The Ecuadorian Economy— Economic and Social Policies.*"

Strategic sector: Oil & Hidrocarbons

The oil and hydrocarbons sector remains one of Ecuador's most strategic economic pillars, representing a key source of fiscal revenue, export earnings and energy supply. Crude oil production is concentrated in the Oriente region, and the transport of crude relies primarily on two major pipeline systems, the SOTE and the OCP, which together form the backbone of the nation's hydrocarbons infrastructure. Recent years have seen important operational, contractual, environmental and regulatory developments within the sector, including the transfer of pipeline operations to the State, changes in concession frameworks, operational disruptions, and evolving international disputes.

Pipeline Infrastructure

Ecuador has two major oil pipelines, the *Sistema de Oleoducto Transecuatoriano* ("SOTE") and the *Oleoducto de Crudos Pesados* ("OCP"). Most of Ecuador's crude oil production is transported through the SOTE, which links Lago Agrio in the Oriente region to the Balao export terminal on the Pacific coast and has a capacity of approximately 360,000 bpd. Crude oil production has increased in the last ten years with the opening of the OCP, which removed a chokepoint on heavy crude oil transportation in Ecuador.

In 2021, the SOTE transported 109.4 million barrels, averaging 299.8 thousand bpd. In 2022, the SOTE transported 116.5 million barrels and the OCP transported 55.0 million barrels. In 2023, the SOTE transported 109.2 million barrels and the OCP transported 57.8 million barrels. In 2023, the SOTE transported 109.2 million barrels and the OCP transported 57.8 million barrels. In 2024, the SOTE transported 113.9 million barrels, and the OCP transported 68.3 million barrels. As of November 30, 2025, the SOTE transported 96.4 million barrels and the OCP transported 58.9 million barrels

OCP Concession History and Transfer to the Republic

In June 2001, Ecuador awarded the construction and operation contract for its second pipeline, the OCP heavy crude oil pipeline, to Oleoducto de Crudos Pesados Ecuador S.A., a consortium of domestic and foreign oil companies. In August 2024, Pampa Energía S.A. ("Pampa") became the owner of 100% of the shares of Oleoducto de Crudos Pesados Ecuador S.A. The OCP was constructed at a cost of U.S.$1.4 billion, paid entirely by the consortium, and began operations in September 2003.

The original contract contemplated a twenty-years term ending in January 2024, after which the pipeline would would become state property. The contract term did not lapse on that date due to several extensions. In January 2024, the Government extended the contract's transfer date and duration until July 31, 2024 and later through August 19, 2024. On August 6, 2024, the consortium submitted a proposal for a 10-year extension including commitments for a new pipeline and additional maintenance investments. On August 26, 2024, the Ministry of Energy and Mines and the consortium signed a public deed extending the contract until the earlier of November 30, 2024, or the execution of its definitive extension.

However, on October 28, 2024, the Government announced its decision not to extend the OCP contract, citing contractual and legal limitations requiring that ownership and operations be transferred to Ecuador. The transfer

was completed on November 30, 2024, when the Republic received 100% of the shares of OCP and became its sole shareholder, while administration continued to be carried out by OCP Ecuador S.A. Since the transfer, the Government has indicated that the OCP will be integrated into the state-managed hydrocarbons transportation system, alongside the SOTE, while continuing to face operational challenges related to erosion risks, extreme weather events and infrastructure resilience.

Pipeline Operational Incidents

In March 2024, operations at the OCP pipeline were halted following a leak detected in the Napo province. Authorities initiated investigations and repairs, highlighting vulnerabilities within the pipeline network. In July 2025, OCP announced the resumption of crude oil transportation following the completion of remediation works, including the construction of a second bypass at kilometer point 100 and the completion of the required technical and safety tests.

Upstream Production and Petroecuador

Petroecuador is the public company in charge of crude oil production for the Republic., It manages a total of 26 blocks, with a total production of 392,046 barrels per day ("bpd") for the period from January to September 2024, compared to 391,724 bpd for 2023, in each case including both crude oil and gas equivalents and accounting for approximately 80% of Ecuador's total production.

Block 43 (ITT)

In 2023, Block 43, which includes the ITT fields recorded oil production of approximately 54,466 bpd compared to 50,613 bpd in 2022. This figure reflects adjustments in production levels, including a decline in Tambococha and Tiputini output, but a significant increase in the Ishipingu output. Despite fluctuations, the overall production remained strong, making it a significant contributor to Ecuador's oil output. For the eight months ended on August 31, 2024, Block 43's production was recorded at about 49,806 bpd, compared to 53,576 bpd during the same period in 2023. The Ishpingo field maintained its high production levels with a significant increase from 2023, but Tambococha's and Tiputini's output decreased in 2024.

Governance and Compliance Matters

In early January 2024, Javier Aguilar, a former oil trader for Vitol, went to trial in the United States on charges arising from a bribery scheme involving officials in Mexico and Ecuador. U.S. prosecutors alleged that, between 2015 and 2020, Aguilar and others funneled illicit payments through shell companies and sham contracts to secure commercial advantages, including a major contract with Petroecuador. After an eight-week trial, Aguilar was convicted of multiple offenses, including violations of the Foreign Corrupt Practices Act and money laundering, and later pleaded guilty to additional charges in August 2024, agreeing to forfeit U.S.$7.1 million. The case forms part of a wider investigation into corruption in the global oil-trading sector. Vitol had previously admitted to similar misconduct in Ecuador, Mexico and Brazil as part of a 2020 settlement with the U.S. Department of Justice.

Separately, Ecuadorian authorities continue to pursue domestic investigations related to crude-oil commercialization. In Criminal Case No. 17282-2022-02214, Luis Esteban Armijos Játiva, a former Petroecuador legal advisor, along with other former officials of Petroecuador and the Ministry of Economy and Finance, is facing bribery charges arising from an alleged scheme in which public officials received improper payments from intermediary companies in exchange for favoring Vitol Inc. and Gunvor in commercial transactions. On December 15, 2025, the court scheduled the resumption of the preliminary and trial-preparation hearing for January 8, 2026.

Flaring and Environmental Protests

In January 2019, Petroamazonas endorsed the World Bank's "Zero Routine Flaring by 2030" initiative whereby it committed to incorporate sustainable utilization or conservation of its oil fields associated gas without routine flaring, and to implement economically viable solutions to eliminate this practice as soon as possible, and by no later than 2030. Despite these efforts, the flaring practice continues in Ecuador. In June 2024, indigenous and

environmental groups in Ecuador staged protests against Petroecuador's gas flaring practices. The demonstrators argued that these activities contribute to environmental degradation and pose health risks to local communities.

LPG Storage Tank Relocation

In March 2024, Petroecuador began a relocating project for two LPG storage tanks. Initially built in Cuenca, these storage tanks will be moved to Chorrillos. The structures, which are part of the Pascual – Cuenca pipeline in Azuay, stopped working in 2018 when the soil of the field where they were constructed began sinking. The project is expected to cost U.S.$20.6 million and to be executed within 510 days. Once the relocation is completed, both tanks will collectively store up to 6,400 metric tons of LPG.

Environmental and Regulatory Developments: Yasuní National Park

In August 2024, Ecuador began shutting down oil drilling operations in the Yasuní National Park, a biodiversity hotspot in the Amazon rainforest. This action followed a landmark referendum held in August 2023, where nearly 60% voted to halt oil extraction in the biodiverse Amazon region, which includes Yasuní National Park's ITT block.

Petroecuador initiated the dismantling of infrastructure, starting with the closure of the Ishpingo B-56 well. On August 21, 2024, the Government submitted to the Constitutional Court a progressive exit plan for the closure of the ITT oil block, which contains 248 wells and may pose environmental risks. According to this plan, the closure is expected to take approximately five years. In August 2024, the Committee reviewed a report detailing the environmental and economic impacts of early closure, estimating that a phased production reduction over five years (2024–2029) would result in a revenue loss of approximately U.S.$2.0 billion of investments, plus U.S.$251 million in social compensations, with an additional U.S.$1.3 billion required through 2034 for well closures and facility dismantling. Since the referendum, Ecuador has not entered into new contracts for further oil extraction in the ITT block.

Exports, Domestic Consumption and Refining

As of October 31, 2025, crude oil exports totaled U.S.$5,289.5 million, representing a decrease of approximately 20.8% compared to U.S.$6,675.9 million in the same period in 2024. This decrease was primarily due to a decrease in the average international price of petroleum per barrel from U.S.$69.87 in the corresponding period of 2024 to U.S.$59.79 in the corresponding period of 2025, and a decrease in exported volume from 95.55 million barrels in the corresponding period of 2024 to 88.47 million barrels in the corresponding period of 2025.

In 2023, the domestic consumption of petroleum derivatives was 104.1 million barrels, a 5.14% increase compared to 99 million barrels during 2022. For the first eight months of 2024, the domestic consumption of petroleum derivatives was 69.2 million barrels, a 1.5% increase compared to 68.2 million barrels during the same period of 2023. In the first eight months of 2024, Ecuadorian refineries only produced sufficient oil derivatives to meet approximately 70% of domestic demand.

Esmeraldas' production of oil derivatives increased from 99,336 average bpd in 2021 to 106,191 average bpd in 2022, 105,523 average bpd in 2023 and 79,682 average bpd in 2024. In 2021, 2022, 2023 and 2024, oil derivatives production at the Esmeraldas refinery totaled 35.2 million barrels, 38.8 million barrels, 38.5 million barrels and 29.1 million barrels, respectively. From January to October 2025, oil derivatives production at the Esmeraldas refinery totaled 20.5 million barrels.

U.S.–Ecuador Reciprocal Trade Framework

In January 2026, the United States and the Republic of Ecuador announced that they had agreed to a Framework for an Agreement on Reciprocal Trade (the "Framework"), aimed at strengthening bilateral economic engagement and expanding market access for goods and services. The Framework establishes the basis for a future Reciprocal Trade Agreement intended to facilitate increased opportunities for U.S. exporters across agricultural, industrial, and services sectors, while supporting broader bilateral economic objectives. According to publicly

available information from U.S. authorities, U.S. goods and services exports to Ecuador totaled approximately U.S.$10.2 billion in 2024, and the Framework is expected to support further expansion of two-way trade flows.

Under the Framework, Ecuador has committed to reduce or eliminate a range of tariff and non-tariff barriers that have historically affected market access for U.S. products. These measures include the removal or reduction of tariffs on key agricultural goods—such as tree nuts, pulses, wheat, fresh fruit, wine, and distilled spirits—and the elimination of Ecuador's variable tariff under the Andean Price Band System for certain agricultural products. Ecuador has further agreed to revise and modernize import licensing, registration, and product acceptance mechanisms applicable to agricultural, automotive, medical device, and pharmaceutical products, including commitments related to the acceptance of U.S. standards, certifications, and regulatory findings.

The Framework also includes provisions relating to trade facilitation, digital trade, labor, and environmental standards. Ecuador has committed to advance measures that include eliminating pre-shipment inspection requirements, strengthening its Authorized Economic Operator program, ensuring non-discriminatory treatment for digital trade and electronic transmissions, and refraining from imposing digital services taxes. In addition, Ecuador intends to adopt and maintain enhanced intellectual property enforcement practices, including commitments related to geographical indications, border enforcement, and unauthorized camcording. Ecuador has also committed to maintain high levels of labor and environmental protection, including measures related to forest governance, fisheries-related obligations, and combating illegal wildlife trade.

As part of the Framework, Ecuador and the United States have also committed to deepen cooperation on economic security, supply chain resilience, and responses to non-market policies. Once finalized, the Reciprocal Trade Agreement is expected to provide Most Favored Nation (MFN) tariff treatment in the United States for certain qualifying Ecuadorian goods that are not grown, mined, or otherwise produced domestically in the United States. Total bilateral trade in goods and services between Ecuador and the United States was approximately U.S.$90.4 billion in 2024. The Framework represents an initial step toward a more formal bilateral trade arrangement that remains subject to negotiation, domestic legal processes, and implementation in both countries.

Ecuador's Power Sector Crisis

In 2024, Ecuador faced a severe energy crisis, driven primarily by an unprecedented drought that sharply reduced water levels in key reservoirs, particularly in the Paute and Mazar basins, which supply a significant portion of the country's hydroelectric generation. The resulting shortfall triggered widespread blackouts, at times lasting up to 14 hours a day, and had a significant financial impact, with estimated losses in the business sector of approximately U.S.$12 million for every hour without electricity, according to the Ecuadorian Business Committee (*Comité Empresarial Ecuatoriano*). The Government immediately sought external support, including electricity imports from Colombia, although similar drought conditions there led to temporary suspensions. Imports resumed on November 17, 2024.

In response to structural vulnerabilities in the sector, President Noboa introduced the Organic Law of Energy Competitiveness (Ley Orgánica de Competitividad Energética) to the National Assembly, enacted on January 11, 2024. The law seeks to address Ecuador's energy deficit by promoting private-sector participation, diversifying the energy matrix and encouraging renewable energy development. See "*The Republic of Ecuador—Ecuador's Power Sector Crisis.*"

The crisis was compounded by years of underinvestment in electrical infrastructure, rising demand – up 10.5% in 2023, and a further 5.5% through August 2024, and adding thermal plants, which together reduced the system reliability and necessitated programmed outages. Throughout 2024 the Government declared multiple states of emergency, deployed the military to protect critical infrastructure and accelerated investments intended to add up to 1,430 megawatts in the coming years.

On June 19, 2024, a nationwide blackout due to a failure in the National Interconnected System underscored system fragility. *Corporación Eléctrica del Ecuador* ("CELEC"), Ecuador's state owned electric utility company, and contracted 341 MW of temporary generation, with additional contracts awarded in in August 2024 for up to 150 MW of new units at the Quevedo and Salitral plants.A 100 MW floating power plant began operating on September 16, 2024 to support peak-demand periods.

Severe hydrological stress persisted into late 2024, prompting targeted rationing measures and emergency actions. The Government implemented temporary labor-schedule flexibility to support business continuity and advanced legislative measures to expand private investment in generation projects from 10 MW to 100 MW, including authorization for private natural gas imports for industrial and electricity-generation use.

On October 27, 2024, the National Assembly unanimously approved a bill proposed by President Noboa that increases the cap on private investment in electricity generation projects from 10 megawatts to 100 megawatts, aiming to attract more private capital into the sector. The bill also authorizes private companies to import natural gas for industrial use and electricity generation, provided they meet technical and quality standards set by regulatory authorities. This initiative is part of the Government's broader strategy to diversify energy sources and reduce reliance on hydropower.

On November 6, 2024, President Noboa issued Executive Decree 444, implementing financial relief measures to mitigate the economic impact of the ongoing energy crisis. The decree allows public, private and cooperative financial institutions to offer extraordinary deferral programs for up to 90 days, enabling clients to postpone payments without incurring additional interest, fees or penalties. Additionally, the decree permits the restructuring and refinancing of loans to accommodate current economic conditions. Internet service providers are also mandated to implement compensation measures and provide payment facilities to users affected by service interruptions due to power outages.

On November 17, 2024, Ecuador resumed importing energy from Colombia, initially averaging 420 megawatts per day, with plans to increase the supply to 440 megawatts. The energy exchange is facilitated by the electrical interconnection between the two countries, which enables dynamic exchange based on availability and demand. By late November 2024, the Government reported that the most acute phase of the crisis had subsided, although structural vulnerabilities persisted due to the country's continued dependence on hydroelectric sources.

In addition to the measures adopted in 2024, and as part of the Government's longer-term regulatory efforts to strengthen the energy sector, the *Agencia de Regulación y Control de Electricidad* (Electricity Regulation and Control Agency or "ARCONEL") issued issued further regulations in October 2024 (Regulation No. ARCONEL-006/24) and October 2025 (Regulation No. ARCONEL-005/25). These regulations establish a framework to promote non-conventional renewable-energy projects of up to 100 MW that are not included in the Electricity Master Plan (the "Electricity Master Plan"), allowing direct concession without public bidding. They define the technical, commercial and procedural requirements for project development and prioritize proposals incorporating energy-storage and interconnection infrastructure.

The regulations set fixed preferential tariffs based on the Total Levelized Cost of Energy, differentiated by technology, with price stability for 20 to 30 years. Solar and wind projects must include battery-energy-storage systems. Developers assume all project risks, must comply with environmental and grid-connection requirements and will be dispatched with zero variable cost. Capacity expansions are permitted under the same tariff scheme without extending the original concession term.

Evolving Security Challenges

Violence and organized crime in Ecuador has increased in recent years and remains an important challenge for the country; however, the Government has taken significant steps to address the situation, and recent data reflect early signs of stabilization. According to the Ecuadorian Organized Crime Observatory (Observatorio Ecuatoriano de Crimen Organizado or the "OECO"), intentional homicides in Ecuador increased between 2019 and 2023, as criminal dynamics evolved in the region. By the end of 2023, Ecuador recorded 8,004 violent deaths, corresponding to a homicide rate of 47.3 per 100,000 inhabitants. By the end of 2023, 770 youths aged 0 to 19 were victims of homicide, and the country registered 17,882 intentional homicides since 2019. Certain regions, including Los Ríos, Guayas, Santa Elena and Bolívar, experienced higher concentrations of violence during this period, partly due to the presence of key transport corridors and ilicit economies. Guayaquil, Durán and Samborondón accounted for 35.1% of homicides, with a rate of 89.1 per 100,000 inhabitants.

During 2025, Ecuador reported 8,847 homicides, surpassing 2024 (7,063) and 2023 (8,248). That figure—reported by the Policía Nacional as of December 19, 2025—indicates the year ended at historically high levels (the

Ministry's Nov. 30 cut-off already showed 8,393), rather than a year-over-year decrease. Although the overall rate remains elevated, the Government's strengthened security measures produced month-to-month variability (e.g., a dip in June 2025), but did not yield an annual decline. The age group most affected continued to be young adults: people 18–34 accounted for about 58% of victims in the first semester of 2025. Homicides among children and adolescents rose sharply, with 294 victims aged 0–17 in January–June 2025—about 50% more than in the same period of 2024; most were 15–17 years old. Approximately, Zone 8 (Guayaquil–Durán–Samborondón) concentrated ~34–40% of national homicides in 2025 (e.g., ~3,000 cases by year-end), underscoring its status as the country's principal hot spot. Los Ríos remained among the provinces with the highest burden, registering 1,167 homicides from January to November 2025. At the local level, Camilo Ponce Enríquez (Azuay)—a mining hub—posted one of the country's highest homicide rates in 2024, illustrating extreme localized risk around illegal-mining corridors.

Analysts attribute the rise in criminal activity beginning in 2016-2017 to several converging factors, including shifts in regional criminal structures following Colombia's 2016 peace agreement the movement of groups after the 2016 earthquake, and economic pressures associated with declining oil prices and later the COVID-19 pandemic. These conditions enabled criminal organizations to expand their operations and recruit vulnerable populations. Beginning in 2020, competition among criminal groups intensified, contributing to prison disturbances and certain high-profile violent events. By 2023, Ecuador's homicide rate had increased markedly compared to 2019. Violence during this period included isolated attacks on public figures and targeted actions linked to criminal disputes.

Ecuador's geographic location, extensive commercial infrastructure and dollarized economy have historically made it attractive to transnational trafficking organizations. The ports of Guayaquil, Manta, and Esmeraldas have become focal points for international narcotics trafficking routes. The criminal landscape in Ecuador includes local groups, regional actors from Colombia and Mexico, and certain European networks, alongside isolated instances of corruption within public institutions. The fragmentation of previously dominant criminal groups also contributed to temporary instability.

The increase in organized crime has affected various sectors of Ecuadorian society. Businesses in major cities such as Quito have at times modified their operating hours, and extortion schemes have impacted commercial activity in some regions. In December 2023, law-enforcement authorities conducted "Metástasis," a major national operation that resulted in the detention of Wilman Terán, then president of the Judiciary Council, and 28 others, uncovering connections between criminal networks and certain public officials. Additional cases, including the deaths of Brigitte García, mayor of San Vicente, in March 2024, and prosecutor Marcelo Vasconez in October 2024, underscored the risks associated with organized crime and the Government's ongoing efforts to strengthen institutional integrity. Since 2019, at least nine prosecutors have been killed in incidents linked to criminal violence, prompting further security measures for judicial personnel.

Since taking office on November 23, 2023, President Noboa has implemented a comprehensive public-security strategy intended to confront organized crime and strengthen the rule of law. The period immediately following his inauguration included the escape of the individuals known as "Fito" and "Capitán Pico," as well as coordinated incidents involving prison disturbances and attacks on public facilities. In response, the Government declared a state of emergency in January 2024 and determined that Ecuador was facing an internal armed conflict involving 22 organized crime groups participating in drug trafficking and illegal mining. The designation authorized the mobilization of the armed forces and police throughout the country, temporarily restricted certain rights of movement and assembly consistent with constitutional emergency provisions, and placed the prison system under enhanced military supervision to regain operational control.

In February 2024, the Government ratified military cooperation agreements with the United States to strengthen Ecuador's capacity to address organized crime, including through training, intelligence cooperation and equipment support. In April 2024, President Noboa convened a constitutional referendum and public consultation centered on public safety and institutional reforms. Nine of the eleven proposals were approved by voters. Among other measures, the approved reforms authorize the armed forces to support police operations without the need for repeated states of emergency, provide for extradition in cases involving transnational organized crime, create specialized constitutional courts, and increase penalties for serious offenses such as terrorism, narcotics trafficking, organized crime, murder, human trafficking and money laundering. The reforms also require that sentences for certain offenses be served through imprisonment, without eligibility for semi-open regimes or good-behavior reductions. The

results were widely interpreted as a mandate for the Government to continue advancing its security agenda. See "*President Noboa's Former Administration*."

In April 2024, authorities recaptured Fabricio Colón Pico, restoring State custody over one of the individuals whose earlier escape had contributed to heightened tensions. On June 25, 2025, authorities also recaptured José Adolfo Macías Villamar, known as "Fito," further advancing the Government's broader security strategy and reinforcing recent gains in the State's efforts to restore stability. In May 2024, the Government declared an additional security related state of emergency to reinforce ongoing operations. The Government has also initiated an investigation into eight reported cases of alleged extrajudicial killings during early 2024 emergency operations, underscoring its stated commitment to ensuring that enhanced security efforts remain consistent with constitutional and human rights obligations.

Although security challenges intensified during the period described, the Government responded through a coordinated institutional strategy supported by targeted budget reallocations, strengthened inter-agency coordination, and expanded operational capacity. These measures were undertaken with strict fiscal discipline, emphasizing efficient public spending and ensuring macroeconomic stability, the orderly execution of fiscal operations, and the State's continued ability to meet its financial commitments.

Recent geopolitical conflicts and economic impact

The War in Ukraine

In February 2022, Russia launched a full-scale military attack on Ukraine. The subsequent war, which is still ongoing as of the date of this Offering Circular, has significantly amplified existing geopolitical tensions among Russia, Ukraine, the North Atlantic Treaty Organization, the United States, the European Union and its member states, the United Kingdom and various other countries, and has led to continued volatility and disruption in global trade and financial markets. Moreover, Russia's annexation in September 2022 of four regions of Ukraine (Donetsk, Luhansk, Zaporizhzhia and Kherson) further escalated these tensions. The war has generated concern regarding non-oil exports, including banana exports to Russia. However, during the first semester of 2022, Ecuador's total trade balance was only reduced by U.S.$30 million, despite the economic effects due to the war.

In 2023 and 2024, Ecuador's trade with Russia faced new challenges. In January 2024, Ecuador negotiated a military exchange with the United States, agreeing to transfer Soviet-era weapons to the United States in exchange for modern military equipment worth U.S.$200 million. This deal was primarily aimed at bolstering Ecuador's capabilities to combat organized crime. However, the agreement drew sharp criticism from Russia, which suspected that the weapons might ultimately be transferred to Ukraine for use against Russian forces. In retaliation, Russia imposed a partial ban on Ecuadorian banana imports in February 2024. This action had significant economic implications for Ecuador, as Russia accounted for approximately 20% of Ecuador's banana exports in 2023, with total trade in this fruit reaching U.S.$3,770.1 million that year. The Russian veto extended beyond bananas, with threats to restrict imports of Ecuadorian carnations as well. On February 23, 2024, the Government called off the planned arms exchange with the United States after learning that some of the weapons were intended to be sent to Ukraine. The Government stated that this decision was made to maintain its stance of neutrality in the ongoing conflict between Russia and Ukraine. Subsequently, Russia lifted the ban and resumed banana imports, although new phytosanitary inspection requirements were imposed. By mid-2025, Ecuador agreed to allow Russian inspectors to visit banana production sites, and trade in bananas and other agricultural products has largely normalized, though subject to ongoing technical negotiations.

Furthermore, one of the main economic effects of the war was a shortage of fertilizers and grains, which led to an increase in international prices caused by the decrease in Russian and Ukrainian production from the international market. For Ecuador, this resulted in higher production costs for farmers. The government responded by seeking alternative suppliers and implementing programs to support domestic fertilizer production. In 2023, Ecuador signed agreements with Morocco and Bolivia to secure fertilizer supplies, helping to stabilize prices for agricultural inputs. In the energy sector, the steady rise in oil and gas prices also affected the costs of fertilizers. In this context, Ecuador had to look for other agricultural supplies from different countries, such as the United States, China, Italy and Chile. The effect of the war on domestic prices has been largely contained by government subsidies on fuel and urea, as well as the appreciation of the U.S. dollar. However, this approach became unsustainable over time and in June 2024, the

government announced a reduction in fuel subsidies, leading to an 11% increase in gasoline prices, which has sparked protests. This decision was part of a broader fiscal reform aimed at reducing Government spending and securing the U.S.$4 billion 2024 EFF with the IMF. Subsequently, on September 12, 2025, the Executive issued Decree 126, published in the Official Register No. 124 of September 15, 2025, reforming the Regulation on Hydrocarbon Derivatives Price Controls and eliminating the diesel subsidy. The decree transitions diesel to a market-linked pricing framework, aligning domestic diesel prices with international reference prices and reducing fiscal costs associated with fuel subsidies. The Government argues that the subsidy reduction is necessary to redirect funds to social programs and infrastructure development, but it has faced significant public opposition. On September 18, 2025, the Confederation of Indigenous Nationalities of Ecuador ("CONAIE") declared a nationwide, indefinite strike in response to economic policies, fuel pricing reforms and institutional restructuring. The strike led to road blockages, transportation disruptions and temporary interruptions in commercial activity across several regions. After 31 days of mobilization, the strike was lifted on October 22, 2025, following a resolution by CONAIE's National Council ordering the withdrawal of its grassroots bases. See *"Public Debt—IMF's Extended Fund Facility and Rapid Financing Instrument."*

Regarding oil exports, the increase in prices in international markets as a result of the war allowed greater inflows into the General State Budget from oil revenues compared to the initial budget in 2022. In 2023, oil revenues decreased with Ecuador's oil export earnings reaching U.S.$9.0 billion, a 19.1% decrease from 2022. In 2024, crude oil exports totaled U.S.$8,646.5 million, an increase of 10.52% compared to U.S.$7,824 million in 2023. This increase was due to a decrease in the average international price of petroleum per barrel from U.S.$77.58 in 2023 to U.S.$76.63 in 2024 and an increase in export volume from 115.03 million barrels in 2023 to 126.31 million barrels in 2024. As of October 31, 2025, crude oil exports totaled U.S.$5,289.5 million, representing a decrease of approximately 20.8% compared to U.S.$6,675.9 million in the same period in 2024. This decrease was primarily due to a decrease in the average international price of petroleum per barrel from U.S.$69.87 in the corresponding period of 2024 to U.S.$59.79 in the corresponding period of 2025, and a decrease in exported volume from 95.55 million barrels in the corresponding period of 2024 to 88.47 million barrels in the corresponding period of 2025.

The War in Gaza

On October 7, 2023, Hamas launched a large-scale surprise attack on Israel from the Gaza Strip. The subsequent war, which is ongoing as of January 2026, has significantly amplified existing tensions between Israel, Palestine and various regional and global actors, including the United States, Iran, Egypt and other Middle Eastern countries. The conflict has led to increased levels of violence, humanitarian crises and disruptions in regional stability.

A ceasefire between Israel and Hamas has been in place since October 2025 as part of a multi-phase peace plan brokered by the United States and other international partners. While the ceasefire has largely held and major fighting has stopped, sporadic clashes and targeted strikes continue, and the process has stalled on key issues such as humanitarian aid, the return of hostages' remains, and the next phase of Gaza's reconstruction and governance. The situation remains fragile, with international mediators working to move the process forward.

As of the date of this Offering Circular, despite intermittent ceasefire efforts, hostage exchanges, and international mediation, the conflict continues with no clear resolution in sight. The war has had far-reaching consequences, including a severe humanitarian crisis in Gaza, increased global economic uncertainty and a reshaping of geopolitical alliances in the Middle East and beyond. While Ecuador has not been directly impacted, there have been indirect effects, such as volatility in oil prices, which can affect Ecuador's oil export revenues.

President Noboa's government was among the handful of Latin American countries that immediately supported Israel following the October 7th attack by Hamas. In May 2025, President Noboa visited Israel and pledged closer security and technological cooperation. Ecuador also abstained from a September 2025 UN resolution calling for a ceasefire and a two-state solution, reflecting a shift toward a more neutral or pro-Western stance. Ecuador's support for Israel and alignment with United States foreign policy has helped Ecuador maintain positive relations with Western allies, traditionally allied with Israel, in times where Ecuador has sought international support for its economic reforms.

Mexican Embassy Incident and ICJ Proceedings

On April 5, 2024, Ecuador's security forces stormed the Mexican embassy in Quito in an unprecedented diplomatic incident aimed at arresting Jorge Glas, Ecuador's former Vice President under former Presidents Rafael Correa and Lenín Moreno, who had sought asylum in the embassy. Glas, convicted of receiving U.S.$18 million in bribes from the Brazilian firm Odebrecht, had been granted asylum by Mexican authorities earlier that day. The operation, carried out by special forces equipped with a battering ram was widely condemned internationally as a violation of the Vienna Convention, which protects the inviolability and diplomatic immunity of foreign missions. The incident triggered a severe diplomatic crisis, prompting Mexico to immediately severe diplomatic relations with Ecuador and leading several Latin American governments to issue strong criticism. The United States also condemned the violation of diplomatic norms, and the United Nations Secretary-General expressed concerned over the events. over the raid.

The dispute escalated to the International Court of Justice ("ICJ"). The oral proceedings concerning Mexico's request for provisional measures opened on April 30, 2024, during which Mexico presented the arguments it deemed justified the granting of such measures; Ecuador presented its oral arguments the following day. On May 23, 2024, the ICJ unanimously rejected Mexico's request for provisional measures. Several judges—Bogdan Aurescu, Georg Nolte, Juan Manuel Gómez Robledo, Sara H. Cleveland and Dalveer Bhandari—issued separate declarations explaining the reasoning behind their votes in favor of denying the indication of provisional measures against Ecuador. As the case proceeds on the merits, Ecuador is scheduled to file its Counter-Memorial on January 22, 2026, in response to the Memorial submitted by Mexico on April 22, 2025.

External geopolitical shocks have heightened volatility in global trade and financial markets; however, Ecuador has continued to demonstrate resilience through disciplined macroeconomic and fiscal management. The authorities have responded with proactive liquidity measures, efforts to diversify export destinations, and sustained engagement with multilateral financial institutions—actions that together have helped cushion the impact of external disruptions, support the ongoing economic adjustment, and safeguard access to external financing.

Political Transition in Venezuela

In January 2026, Venezuela experienced a major political transition following the removal and detention of Nicolás Maduro, who was transferred to U.S. custody. An interim government was subsequently installed in Caracas. These unprecedented events have introduced significant uncertainty into the Latin American region, with immediate effects on financial markets, including a rally in Venezuelan sovereign and PDVSA bonds on expectations of a potential restructuring and normalization of Venezuela's external debt. While some observers view these developments as an opportunity for renewed economic engagement and regional stabilization, the long-term implications remain highly uncertain. The transition could result in shifts in regional alliances, changes in trade and investment patterns, and potential spillover effects that may impact Ecuador's external sector, fiscal position, and investor sentiment. Ecuador continues to monitor the evolving situation closely, recognizing that further political or economic instability in Venezuela could have direct and indirect effects on trade flows, migration, and regional cooperation.

A particularly significant potential impact for Ecuador relates to migration. The detention of Maduro and the installation of an interim government are expected to trigger the return of a substantial number of Venezuelan migrants currently residing in Ecuador, as prospects for stability and economic recovery in Venezuela improve. This reverse migration could have a considerable economic effect on Ecuador, as the departure of Venezuelan nationals would reduce the demand for public services such as education, healthcare, and social assistance. In particular, Ecuador would likely see a decrease in government expenditures related to schooling, health coverage, and other social programs for the migrant population. As a result, the return of Venezuelan migrants could help alleviate fiscal pressures and free up resources for other national priorities, representing a positive development for Ecuador's public finances.

In particular, the transition in Venezuela has raised the prospect of gradual increased Venezuelan oil exports to global markets, especially under U.S. oversight or facilitation. Should Venezuelan crude re-enter international markets in significant volumes, this could increase global supply and exert downward pressure on oil prices, particularly for heavy crude grades similar to those produced by Ecuador. As Ecuador's economy and fiscal position

remain highly sensitive to oil export revenues, any sustained decline in prices or increased competition in key markets—such as the U.S. Gulf Coast—could negatively affect Ecuador's export earnings, budgetary resources, and overall economic outlook. Moreover, renewed investment and commercial activity in Venezuela's oil sector may shift regional trade patterns and investor focus, further intensifying competition for market share and capital within Latin America. Ecuador will continue to assess these evolving dynamics and their potential implications for the country's external sector and fiscal sustainability.

Concurrent Tender Offer

Concurrently with the offering of the Notes, the Republic is offering to purchase for cash (the "Tender Offer") its outstanding 6.900% Step-Up Coupon Notes due 2030 (the "2030 Notes") and its outstanding 6.900% Step-Up Coupon Notes due 2035 (the "2035 Notes" and, together, with the 2030 Notes, the " Target Notes"). The Tender Offer being conducted on the terms and subject to the conditions set forth in the Offer to Purchase, dated January 16, 2026 (the "Offer to Purchase"). See "*Use of Proceeds*."

The Tender Offer will expire at 11:00 a.m., New York City time, on January 23, 2026, unless extended or earlier terminated by the Republic in its sole discretion (such time and date, as the same may be extended in the Republic's sole discretion, the "Expiration Time"). Holders must validly tender, and not withdraw, their Target Notes at or prior to 11:00 a.m., New York City time, on January 23, 2026 (the "Expiration Time") in order to be eligible to receive the applicable Purchase Price for such series of Target Notes, plus Accrued Interest on the Settlement (each as defined in the Offer to Purchase), as applicable. Validly tendered Target Notes may be withdrawn at any time before the Expiration Time in accordance with the terms of the Offer to Purchase.

The Tender Offer is subject to the concurrent (or earlier) closing of this offering of Notes, but this offering is not conditioned on the closing of the Tender Offer. This Offering Circular does not constitute an offer to purchase the Notes pursuant to the Tender Offer.

BofA Securities, Inc. and Citigroup Global Markets Inc. are acting as Dealer Managers (the "Dealer Managers") and Morrow Sodali International LLC, trading as Sodali & Co., is acting as the Information and Tabulation Agent (the "Information and Tabulation Agent") with respect to the Tender Offer and Consent Solicitation. Questions regarding the terms of the Tender Offer and Consent Solicitation should be directed to the Dealer Managers at their respective addresses, email addresses and telephone numbers on the back cover page of the Offer to Purchase. Requests for additional copies of the Offer to Purchase or for assistance relating to the procedures for tendering Target Notes or delivering a consent may be directed to the Information and Tabulation Agent at its address, email address and telephone numbers on the back cover page of the Offer to Purchase.

The Ecuadorian Economy

In 2022, real GDP reached U.S.$113,183 million, compared to U.S.$106,909 million in 2021, representing an 8.4% increase in real terms. Nominal GDP for 2022 totaled U.S.$116,133 million, compared to U.S.$107,179 million in 2021, also representing an 8.4% increase. This growth was mainly driven by increases in household consumption and higher imports and exports of goods and services.

In 2023, real GDP amounted to U.S.$115,434 million, compared to U.S.$113,183 million in 2022, representing an increase in real terms. Nominal GDP reached U.S.$121,147 million, compared to U.S.$116,133 million in 2022. This growth was mainly driven by increase in domestic demand, particularly household consumption.

In 2024, real GDP was U.S.$113,123 million, compared to U.S.$115,434 million in 2023, representing a 2.0% decrease in real terms. Nominal GDP for 2024 totaled U.S.$124,676 million, representing a 2.9% increase from U.S.$121,147 million in 2023. This increase was mainly due to higher prices, exports value, even though the real volume of production decreased.

Real GDP for the first nine months of 2025 was U.S.$32,623 million, compared to U.S.$31,234 million for the first nine months of 2024, representing a 4.4% increase in real terms. This increase was mainly driven by growth in economic activity, particularly in the agriculture, livestock and forestry sector, as well as in financial and insurance activities. Nominal GDP for the first nine months of 2025 reached U.S.$96,248 million, representing an increase of

5.6% from U.S.$91,129 million for the same period in 2024. This increase was mainly due to the expansion of agriculture, livestock and forestry and financial and insurance activities.

According to the *Instituto Nacional de Estadistica y Censo* ("INEC"), the annual inflation rate in Ecuador increased steadily from deflation of 0.93% for 2020 to 1.94% for 2021, and 3.74% in 2022. This increase was primarily due to disruptions in international markets and related problems in international transport supply chains that affected the price of raw materials, as well as policy measures on fuel prices. The inflation rate decreased to 1.35% in 2023. This decrease was primarily due to the stabilization of raw material prices at the international level, normalization of production chains and moderate domestic demand. In 2024, the annual inflation rate further decreased to 0.53%, reflecting continued moderation in price pressures and lower domestic demand. In November 2025, annual inflation slightly increased again to reach 1.05%, mostly due to an increase in demand.

In 2024, trade was the largest sector of the economy measured by percentage of nominal GDP (15.2%), followed by agriculture, livestock and forestry (8.3%), petroleum and mining (8.2%) and manufacturing (6.9%). In the first six months of 2025, trade was the largest sector of the economy measured by percentage of nominal GDP (15.5%), followed by agriculture, livestock and forestry (8.9%), petroleum and mining (7.4%) and manufacturing (7.2%).

In 2024, crude oil exports totaled U.S.$8,646.5 million, an increase of 10.52% compared to U.S.$7,823.4 million in 2023. This increase was due to a decrease in the average international price of petroleum per barrel from U.S.$77.58 in 2023 to U.S.$76.63 in 2024 and an increase in export volume from 115.03 million barrels in 2023 to 126.31 million barrels in 2024.

As of October 31, 2025, crude oil exports totaled U.S.$5,971.4 million, a decrease of 19.1% compared to U.S.$7,383.2 million in the same period in 2024. This change was primarily due to changes in the average international price of petroleum per barrel and export volumes.

From December 2021 to December 2025, the rate of unemployment decreased from 4.1% as of December 31, 2021 to 2.6% as of December 31, 2025. From December 31, 2023 to December 31, 2024, the rate of individuals who were unable to obtain full-time work to receive a salary meeting the official minimum wage, or underemployment, decreased.

The labor force participation rate of the Ecuadorian economy decreased by 1.8% from December 31, 2023 to Deceber 31, 2024, unemployment rate increased by 6.6% and underemployment rate increased by 9.3% for that same period. In 2023, the labor force participation rate increased to 65.6% from 64.6% in 2022, the underemployment rate increased to 21.2% from 19.4% in 2022 and the unemployment rate increased to 3.4% from 3.2% in 2022.

Balance of Payments and Foreign Trade

Given Ecuador's dollarized economy, the balance of payments is important in determining money supply and the sustainability of the monetary system. A positive balance of payments strengthens the assets of the Central Bank and increases money supply while a negative balance of payments weakens the assets of the Central Bank and decreases support for the money supply.

In 2023, the balance of payments was positive. The current account registered a surplus of U.S.$2,346.5 million, an increase of U.S.$99.1 million compared to the U.S.$2,247.4 million surplus in 2022. This increase in the surplus was primarily due to the positive goods account (U.S.$2,207.8 million), the secondary income account (U.S.$4,767.0 million) and the reduction of the services account deficit. The capital account increased. The financial account also showed a surplus associated with the decrease in net liabilities and reserve assets. The surplus result in the current account is mainly due to the goods account and the secondary income.

In 2024, the balance of payments was positive. The current account registered a surplus of U.S.$7,058.8 million, an increase of U.S.$4,712.4 million compared to the U.S.$2,346.5 million surplus in 2023. This increase in the surplus was primarily due to the positive goods account (U.S.$6,812.2 million) and the secondary income account (U.S.$5,920.7 million). The capital account increased. The financial account also showed a surplus associated with

the increase in net liabilities and reserve assets. The surplus result in the current account is mainly due to the surplus in the goods account and the positive contribution of the secondary income account.

For the nine months ended September 30, 2025, the current account registered a surplus of U.S.$ million, compared to a surplus of U.S.$ million for the same period in 2024. This increase in surplus was mainly explained by an increase in exports of goods, which rose from U.S.$ million in the first nine months of 2024 to U.S.$ million in the same period of 2025, primarily associated with non-oil products and raw materials.

For the nine months ended September 30, 2025, the primary income account recorded a deficit of U.S.$ million, primarily due to net outflows related to investment income. The secondary income account recorded a surplus of U.S.$ million, primarily due to current transfers to households, non-financial corporations, and NPISHs.

In 2023, the balance of the capital and financial accounts registered a surplus of U.S.$444.7 million, compared to a surplus of U.S.$2,110.2 million in 2022. This decrease in the surplus was primarily due to the increase in the net acquisition of financial assets. Other investment assets decreased from U.S.$4,271.1 million in 2022 to U.S.$2,502.8 million in 2023, and liabilities related to portfolio investments decreased from U.S.$–727.6 million in 2022 to U.S.$-676.5 million in 2023. In addition, reserve assets decreased from U.S.$568.2 million in 2022 to U.S.$–4,285.0 million in 2023.

In 2024, the balance of the capital and financial accounts registered a surplus of U.S.$6,616.0 million, compared to the U.S.$444.7 million surplus in 2023. This increase in the surplus was primarily due to the increase in net liabilities and the accumulation of reserve assets. Other investment assets increased from U.S.$2,502.8 million in 2023 to U.S.$2,855.6 million in 2024, and liabilities related to portfolio investments increased from U.S.$-676.5 million in 2023 to U.S.$1,133.9 million in 2024. In addition, reserve assets increased from U.S.$-4,285.0 million in 2023 to U.S.$2,005.7 million in 2024.

For the nine months ended September 30, 2025, the capital and financial accounts resulted in a surplus of U.S.$ million, compared to the U.S.$ million surplus for the same period in 2024. This increase in the surplus was primarily due to the increase in net liabilities and the accumulation of reserve assets.

In 2024, FDI totaled U.S.$438.0 million, a decrease compared to the FDI of U.S.$482.7 million in 2023. This decrease was primarily due to lower inflows in manufacturing, petroleum, and transportation, storage and communications. In 2023, FDI totaled U.S.$482.7 million, a decrease compared to the FDI of U.S.$882.0 million in 2022 and U.S.$651.4 million in 2021.

For the nine months ended September 30, 2025, FDI totaled U.S.$ million, an increase compared to the FDI of U.S.$ million for the same period in 2024. This increase was primarily due to higher inflows in agriculture, commerce and services rendered to businesses.

As of December 31, 2024, Ecuador’s International Reserves totaled U.S.$6,899.5 million, an increase from U.S.$4,454.4 million as of December 31, 2023. This increase was primarily due to a recovery in the net position in currency, including higher cash in currency and increased deposits in foreign banks and financial institutions, as well as an increase in gold holdings.

As of December 31, 2023, Ecuador’s International Reserves totaled U.S.$4,454.4 million, a decrease from U.S.$8,458.7 million as of December 31, 2022. The decrease was primarily due to higher external debt service, an increase in imports of derivatives and transfers abroad from the public and private sectors, and a decrease in public debt disbursements.

As of December 31, 2025, Ecuador’s International Reserves totaled U.S.$ 9,795.1million, an increase from U.S.$ 6,899.5million as of December 31, 2024. This increase was primarily due to the year-on-year growth in external debt disbursements, cash deposits in BCE vaults, and public-sector foreign transfers.In 2023, according to the Central Bank’s balance of payments statistical bulletin, exports amounted to U.S.$31,126.5 million, a decrease of 5% compared to U.S.$32,658.3 million in 2022. This decrease was primarily due to a decrease in oil, tuna and other fish exports.

In 2024, according to the Central Bank's balance of payments statistical bulletin, exports amounted to U.S.$34,420.8 million, an increase of 10.6% compared to U.S.$31,126.5 million in 2023. This increase was primarily due to higher exports of crude oil, shrimp, cocoa and cocoa products, and other products.

During the ten months ended October 31, 2025, according to the Central Bank's balance of payments statistical bulletin, exports amounted to U.S.$30,511.6 million, an increase of 7.4% compared to U.S.$28,525.7-million during the same period of 2024. This increase was primarily driven by higher exports of shrimp, bananas and plantains, cocoa and cocoa products, and other products.

In 2023, according to the Central Bank's balance of payments statistical bulletin, imports totaled U.S.$29,123.6 million, a decrease of 3.9% compared to U.S.$30,316.9 million in 2022. This decrease was primarily due to lower imports of raw materials and fuels and lubricants.

In 2024, according to the Central Bank's balance of payments statistical bulletin, imports totaled U.S.$27,684.5 million, a decrease of 4.9% compared to U.S.$29,123.6 million in 2023. This decrease was primarily due to lower imports of raw materials, fuels and lubricants, and industrial capital goods, reflecting weaker domestic demand.

During the ten months ended October 31, 2025, according to the Central Bank's balance of payments statistical bulletin, imports totaled to U.S.$26,908.7 million, an increase of 0.4% compared to U.S.$26,801.2 million during the same period in 2024, and overall remained stable throughout the period.

Public Sector Finances

In 2023, Central Government revenues totaled U.S.$21,137.8 million, while total expenditures were U.S.$27,048.9 million. This resulted in an overall fiscal deficit of U.S.$5,911.1 million in 2023, an increase compared to the U.S.$1,546.4 million deficit in 2022. This increase in the deficit was primarily due to lower revenues because of the change in the CFDD operations report and greater external interest payments related to higher international interest rates.

In 2024, Central Government revenues totaled U.S.$24,034.8 million, while total expenditures were U.S.$27,558.0 million. This resulted in an overall fiscal deficit of U.S.$3,523.1 million in 2024, a decrease compared to the U.S.$5,914.4 million deficit in 2023. This decrease in the deficit was primarily due to tax reforms implemented, which increased the revenues of the non-financial public sector.

For the nine months ended September 30, 2025, Central Government revenues totaled U.S.$18,460.8 million, while total expenditures were U.S.$19,720.4 million. This resulted in an overall fiscal deficit of U.S.$1,259.6 million, compared to a U.S.$1,085.0 million deficit for the nine months ended September 30, 2024. This increase in the deficit was primarily due to higher current expenditures, including interest payments and social spending.

In 2023, the non-financial public sector registered a deficit of U.S.$4,273.7 million, compared to a deficit of U.S.$24.0 million in 2022. This increase in the deficit was primarily due to a decline in revenues of approximately U.S.$1,600 million and an increase in expenditures of approximately U.S.$2,700 million. In 2023, total revenues of the non-financial public sector totaled U.S.$43,609.8 million, a decrease from U.S.$45,199.3 million in 2022. This decrease was primarily due to lower oil production volumes and export prices, as well as a slowdown in economic activity. During the same period, total expenditures of the non-financial public sector amounted to U.S.$47,883.5 million, an increase from U.S.$45,223.3 million in 2022. This increase was mainly attributable to higher social security benefits, increased interest expenses reflecting higher international interest rates, and higher wages and salaries following the implementation of the Ley Orgánica de Educación Intercultural, which expanded employment and compensation in the education sector.

In 2024, the non-financial public sector registered a deficit of U.S.$1,632.5 million, compared to a deficit of U.S.$4,273.7 million in 2023. This reduction in the deficit was primarily due to higher revenues, partially offset by sustained expenditure levels. In 2024, total revenues of the non-financial public sector totaled U.S.$44,177.1 million, an increase from U.S.$43,609.8 million in 2023, mainly reflecting higher non-oil revenues and improved tax

collection. In 2024, total expenditures for the non-financial public sector totaled U.S.$47,809.6 million, a decrease from U.S.$47,883.5 million in 2023, primarily due to lower non-permanent expenditures.

For the nine months ended September 30, 2025, total revenues of the non-financial public sector totaled U.S.$36,637.4 million, an increase from U.S.$34,633.7 million for the nine months ended September 30, 2024. This increase was primarily driven by higher tax revenues and improved non-oil income.

The 2025 Budget was not enacted through the ordinary legislative process. Due to the swearing-in of new presidential and legislative authorities during 2025, and in accordance with Article 295 of the Constitution and Article 107 of the Public Planning and Finance Code, the Republic operated under a prorogated budget for fiscal year 2025. However, the Government approved the formal pro forma budget for fiscal year 2025 in September 2025, in accordance with the procedures set forth in the Public Planning and Finance Code.

The 2025 Budget amounts to U.S.$36,063.02 million in total revenue and total expenditures. Of total revenue, U.S.$20,627.62 million corresponds to permanent revenue (including taxes, fees, sales of goods and services and the collection of fines), U.S.$5,003.06 million corresponds to non-permanent revenue (including capital revenues and hydrocarbon-related income), and U.S.$10,432.33 million corresponds to financing sources. Total expenditures consist of U.S.$20,315.48 million in permanent or current expenditures, U.S.$1,573.32 million in investment expenditures, U.S.$6,569.87 million in capital expenditures, and U.S.$7,604.35 million in financing-application expenditures, including amortization of public debt.

The macroeconomic assumptions underlying the 2025 Budget reflect the latest official projections available as of late 2024, including: (i) nominal GDP of U.S.$125,931 million for 2025; (ii) a real GDP growth rate of 1.5%; (iii) average annual inflation of 2.3%; (iv) oil production of approximately 171.9 million barrels; and (v) an average crude oil export price of U.S.$63.7 per barrel. These assumptions are based on the September 2024 macroeconomic program published by the Ministry of Economy and Finance and the Central Bank, which revised 2024 GDP growth downward to 0.9% and reflected weaker domestic demand, lower non-oil imports and ongoing security- and political-related uncertainties.

Pursuant to the Organic Code of Planning and Public Finance and its implementing regulations, the Ministry of Economy and Finance has issued binding directives, methodological guidelines, spending ceilings and the programming calendar for the preparation of the 2026 pro forma budget and the 2026–2029 multi-year fiscal framework. These directives establish the macro-fiscal parameters, sectoral priorities, programmatic structure and expenditure-quality rules applicable to all central government entities in the formulation of the 2026 pro forma budget.

The 2026 pro forma budget was approved by the National Assembly on November 29, 2025, within the constitutionally mandated deadlines. The 2026 Budget amounts to U.S.$46,255 million in total revenue and total expenditures. Of total revenue, U.S.$21,679 million corresponds to permanent revenue (including taxes, fees, sales of goods and services and the collection of fines), U.S.$8,470 million corresponds to non-permanent revenue (including capital revenues and hydrocarbon-related income), and U.S.$16,104 million corresponds to financing sources. Total expenditures consist of U.S.$23,482 million in permanent or current expenditures, U.S.$1,764 million in investment expenditures, and U.S.$10,495 million in capital expenditures.

The macroeconomic assumptions underlying the 2026 Budget are the following: (i) nominal GDP of U.S.$139,046 million; (ii) real GDP growth rate of 1.8%; (iii) average annual inflation of 3.2%; (iv) oil production of 165.5 million barrels; and (v) an average crude oil export price of U.S.$53.50 per barrel.

Public-sector finances are managed within a framework centered on fiscal consolidation and medium-term sustainability. The Government has implemented measures to bolster revenues, prioritize expenditure, and strengthen budget execution and fiscal planning, supported by enhanced coordination with multilateral institutions. Together, these actions underpin the fiscal policies reflected in the 2025 and 2026 budgets, and aim to improve fiscal predictability, reinforce debt-management practices, and strengthen confidence in Ecuador’s public-finance framework.

Public Debt

The consolidated public debt of Ecuador, including other payment obligations of the non-financial public sector and social security, totaled U.S.$62,260.29 million as of December 31, 2024, compared to U.S.$61,256.03 million as of December 31, 2023 and U.S.$63,692.17 million as of December 31, 2022. The Public Debt and Other Obligations to GDP Indicator decreased from 55.36% as of December 31, 2022 to 51.23% as of December 31, 2023 and 50.58% as of December 31, 2024.

The consolidated public debt of Ecuador, including other payment obligations of the non-financial public sector and social security, totaled U.S.$63,435.82 million as of September 30, 2024, compared to U.S.$62,545.43 million as of September 30, 2025. The Public Debt and Other Obligations to GDP Indicator decreased from 51.53% as of September 30, 2024 to 46.77% as of September 30, 2025.

Public sector total aggregated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$62,260.3 million as of December 31, 2024, compared to U.S.$61,256.0 million as of December 31, 2023 and U.S.$63,692.2 million as of December 31, 2022, and represented 49.94% of GDP as of December 31, 2024 (compared to 50.56% as of December 31, 2023 and 54.84% as of December 31, 2022).

Public sector total consolidated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$62,260.3 million as of December 31, 2024, compared to U.S.$52,833.5 million as of December 31, 2023 and U.S.$54,231.5 million as of December 31, 2022. Public sector total aggregated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$63,435.8 million as of September 30, 2024, compared to U.S.$62,545.4 million as of September 30, 2025, and represented 51.53% of GDP as of September 30, 2024 (compared to 46.77% as of September 30, 2025).

External Debt

The total consolidated external debt of the public sector in Ecuador totaled U.S.$49,313.8 million as of December 31, 2024, compared to U.S.$47,815.7 million as of December 31, 2023 and U.S.$48,336.7 million as of December 31, 2022. The increase in the total consolidated external debt of the public sector between December 31, 2022 and December 31, 2024 was primarily the result of higher borrowing from international markets and multilateral institutions, partially offset by amortizations.

The total consolidated external debt of the public sector in Ecuador totaled U.S.$49,736.2 million as of September 30, 2024, compared to U.S.$49,476.1 million as of September 30, 2025. The decrease in the total consolidated external debt of the public sector between September 30, 2024 and September 30, 2025 was primarily the result of net debt amortizations exceeding new external disbursements.

As of September 30, 2025, the total consolidated external debt owed to multilateral institutions totaled U.S.$28,761.1 million. The Republic is current on all its obligations to multilateral institutions. As of September 30, 2025, the total consolidated external debt owed to other governments totaled U.S.$3,720.7 million.

As of September 30, 2025, the three main multilateral lenders to Ecuador were the Inter-American Development Bank, the International Monetary Fund and the CAF, with debt levels of U.S.$9,141.8 million (31.79% of total multilateral debt), U.S.$9,063.4 million (31.51% of total multilateral debt) and U.S.$4,138.2 million (14.39% of total multilateral debt), respectively. As of September 30, 2025, total debt owed to multilateral creditors was U.S.$28,761.1 million.

Internal Debt

The total consolidated internal debt of the public sector in Ecuador totaled U.S.$4,675.5 million as of December 31, 2024, compared to U.S.$5,017.8 million as of December 31, 2023 and U.S.$5,894.8 million as of December 31, 2022. The decrease in the total consolidated internal debt of the public sector between December 31, 2022 and December 31, 2024 was primarily the result of amortizations of domestic obligations, including reductions in unpaid obligations in closed budgets and other short-term liabilities. The total consolidated internal debt of the

public sector in Ecuador totaled U.S.$4,808.0 million as of September 30, 2025, compared to U.S.$3,948.1 million as of September 30, 2024. The increase in the total consolidated internal debt of the public sector between September 30, 2024 and September 30, 2025 was primarily due to the placement of bonds to the private sector.

The total aggregated internal debt of the public sector in Ecuador totaled U.S.$35,950.6 million as of December 31, 2024, compared to U.S.$31,501.3 million as of December 31, 2023 and U.S.$27,142.9 million as of December 31, 2022. The increase in the total aggregated internal debt of the public sector between December 31, 2022 and December 31, 2024 was primarily the result of higher issuance of domestic debt securities, increased treasury certificates (CETES), and higher pending payment obligations of the non-financial public sector and social security entities.

The total aggregated internal debt of the public sector in Ecuador totaled U.S.$35,629.4 million as of September 30, 2025, compared to U.S.$32,936.3 million as of September 30, 2024. The increase in the total aggregated internal debt of the public sector between September 30, 2024 and September 30, 2025 was primarily due to higher short-term domestic financing, including increases in treasury certificates, liquidity agreements, and pending payment obligations for the current fiscal year.

As of September 30, 2025, the Republic had issued U.S.$2,921.6 million in short-term debt (i.e., with a maturity equal to or less than one year). Ecuador's medium-term and short-term obligations have generally been issued to finance development projects and to restructure or provide for revenue shortfalls in the Government's budget for a given year. Notes issued for development projects are generally privately held by entities contracted to undertake these14 development projects. Notes issued for budget restructuring, which generally have a maturity greater than one year, are placed on the Ecuadorian Stock Exchanges, and are currently held by both public and private holders.

In 2010, Ecuador enacted a 40% debt-to-GDP ceiling. In 2020, this law was waived until 2032 subject to milestones to reduce the debt-to-GDP ratio. As of September 30, 2025, Ecuador's aggregate debt-to-GDP ratio is 46.7%, which is below the target amount for 2025.

The IMF's Extended Fund Facility

On May 15, 2024, the MEF and the General Manager of the Central Bank presented the IMF with a letter of intent outlining Ecuador's economic outlook and economic goals in connection with the request for a 48-month extended arrangement under the 2020 EFF in an amount equivalent to SDR3 billion (about U.S.$4 billion), or 430% of Ecuador's IMF quota, to be provided for budget support, with an initial purchase of SDR752.9 million (107.9% of quota) upon approval of the 2024 EFF arrangement.

The letter of intent outlined the Government's policy plans for the subsequent four years. Among other measures, the Government intends to:

- place the public debt ratio on a firmly downward trajectory, maintaining manageable gross financing needs, and respecting the expenditure growth rules and the debt limit of 40% of GDP by 2032 in the *Código Orgánico de Planificación y Finanzas Públicas* ("Public Planning and Finance Code");

- achieve a gradual medium-term fiscal consolidation to place public finances on a sustainable path, reducing the non-financial public sector operations overall deficit to 1% of the GDP in 2025 and reach an overall surplus of 0.5% of the GDP by the end of the program in 2028;

- commit to a financing strategy that relies on bilateral and multilateral sources in the near-term, while seeking to regain access to international capital markets as soon as possible, as market conditions allow, and gradually developing domestic financing sources; to that end, the Republic will pursue an active public debt management strategy with the goal of covering the public sector's financing needs at the lowest possible cost with a prudent level of risk;

- ensure that the burden of fiscal consolidation is not borne by the poor and vulnerable, and commit to prepare a plan to complete the social registry to cover all families in the lowest three deciles of the income distribution throughout the country;

- progress in establishing a revised mechanism to settle healthcare claims from IESS to bring legal predictability to the process of auditing and clearing verified obligations; in this regard, the Republic established an updated agreement between the MEF and IESS on the transfer of healthcare obligations (including both internal and external providers), building on the December 2022 agreement; this updated agreement was signed in October 2025;

- implement an institutional model under the Tax Administration Diagnostic Assessment methodology to close the gaps in tax administration against best international practices, especially in control processes;

- increase coordination among agencies involved in financial sector oversight, establishing a Financial Stability Committee in line with best international practices, comprising the Central Bank, the MEF, the Financial and Monetary Policy and Regulatory Board, the Superintendent of Banks, the Superintendent of Popular and Solidarity Economy, the Superintendent of Companies and COSEDE;

- invest in the Central Bank's central securities depository and payment system to strengthen the domestic capital market and promote digital payments nationwide; and

- enhance financial integrity and fight against organized crime and related illicit activities by strengthening Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") framework; to that end, the Republic will enact new AML/CFT legislation to strengthen the AML/CFT framework in line with Financial Action Task Force standards.

- On May 31, 2024, the Executive Board of the IMF approved a 48-month extended arrangement under the 2020 EFF for Ecuador, with access equivalent to SDR 3 billion (430% of quota, equivalent to U.S.$4 billion). The Board's approval permitted an immediate disbursement of SDR 753 million, equivalent to U.S.$1 billion, available to the public budget.

- Implementation of the 2024 EFF has been monitored through quantitative performance criteria, indicative targets, and structural benchmarks. The 2024 EFF arrangement is subject to triannual reviews during 2024-25 and shift to semiannual reviews during 2026-28.

- On December 2, 2025, the IMF announced that it had reached a staff-level agreement with the Ecuadorian authorities on the fourth triennial review under the EFF arrangement. According to the announcement, Ecuador met all quantitative performance criteria for end-October 2025 applicable to the fourth review, as well as all indicative targets for which data are available. According to the announcement, the Ecuadorian authorities have taken decisive actions to strengthen fiscal sustainability and liquidity buffers, while protecting the most vulnerable segments of the population. As a result, government deposits and liquidity conditions have improved, and sovereign spreads have narrowed significantly. In addition, the Ecuadorian authorities have continued to advance an ambitious structural reform agenda aimed at safeguarding financial stability, enhancing governance, and promoting private investment and job-rich growth. In connection with the completion of the review, total access under the EFF was increased from approximately U.S.$4 billion to approximately U.S.$5 billion. Subject to approval of the review by the Executive Board of the IMF and confirmation of international partners' financial commitments, Ecuador would have immediate access to approximately U.S.$620 million (SDR438.4 million).

Ecuador - Selected Economic Indicators

	2022	2023	2024	H1 2024[1]	H1 2025[1]
The Economy (U.S.$ millions, except %)					
Nominal GDP	116,586	118,845	124,676	91,129	96,248
Real GDP	116,133	121,147	124,676	31,234	32,623
Real GDP growth	5.9%	2.0%	-2.0%	-2.4%	3.3%
Unemployment rate	3.2%	3.4%	2.7%	3.7%	3.2%
Annual inflation	3.7%	1.4%	0.53%	1.42%	0.72%
International reserves	8,458.7	4,454.4	6,899.50	8,577.55	8,322.39
Balance of Payments[2] (U.S.$ millions, except %)					
Exports	32,658.3	31,126.5	34,420.8	25,409.9	27,336.5
Imports	33,048.9	30,901.7	29,491.1	21,528.4	23,923.5
Trade balance	2,324.5	1,995.0	6,736.4	5,573.7	5,167.6
Services balance	(2,652.8)	(2,097.0)	(2,310.2)	(1,640.8)	(1,412.9)
Current account balance	2,093.1	2,206.8	7,058.8	5,221.7	5,748.5
Current account balance as % of GDP	1.8	1.9	5.7	5.7	6.0
Public Sector Finances[2] (U.S.$ millions, except %)					
Non-Financial Public Sector					
Total revenues	45,199.3	43,606.6	46,177.1	35,294.1	34,633.7
Total expenditures	45,222.0	47,883.5	27558.0	19428.4	21210.9
Surplus/deficit	(22.6)	(4,276.9)	18,619.1	15,865.7	13,422.8
Surplus/deficit as % of GDP	(0.02)	(3.5)	14.9%	50.8%	41.1%
Central Government					
Total revenues	28,622.9	21,134.6	24,034.8	6,195.5	6,161.6
Total expenditures	30,169.3	27,048.9	27,558.0	7,280.7	7,421.2
Surplus/deficit	(1,546.4)	(5,914.4)	(3,523.1)	(1,085.2)	(1,259.6)
Surplus/deficit as % of GDP	(1.3)	(5.0)	(2.8)	(0.7)	(2.1)
Public Debt (U.S.$ millions, except %)					
Internal Public Debt (aggregated)	27,142.9	31,501.3	35,950.6	32,936.3	35,629.4
External Public Debt	48,336.7	47,815.7	49,313.8	49,736.2	49,476.1
Total Other Obligations	1,749.91	930.14	830.86	636.89	880.00
Aggregate Public Debt Debt-to-GDP	63,692.17	61,256.03	62,260.29	63,435.82	62,545.43
Aggregate ratio	54.6%	51.5%	49.9%	69.6%	65.0%

Source: Central Bank of Ecuador; Ministry of Economy and Finance

(1) Data as of September 30 of the applicable year.

(2) Data as of October 31 of the applicable year.

THE OFFERING

The following summary does not purport to be complete and is qualified in its entirety by, and is subject to, the detailed information appearing elsewhere in this Offering Circular.

Financial Terms of the Notes

Issuer.....	The Republic of Ecuador.
Issue Amount.....	U.S.$4,000,000,000
Securities Offered	U.S.$2,000,000,000 principal amount of 8.750% notes due 2034. U.S.$1,800,000,000 principal amount of 9.250% notes due 2039.
Issue Format.....	Rule 144A/Regulation S.
Issue Price	With respect to both the 2034 Notes and the 2039 Notes, 100.000% plus accrued interest, if any, from January 29, 2026.
Issue Date	January 29, 2026.
Maturity Date.....	The 2034 Notes will mature on January 29, 2034 and the 2039 Notes will mature on January 29, 2039.
Interest.....	With respect to the 2034 Notes, 8.750% per annum and with respect to the 2039 Notes, 9.250% per annum, in each case, computed on the basis of a 360-day year of twelve 30-day months.
Interest Payment Dates	Interest on each series of Notes will be payable on January 29 and July 29 of each year, commencing on July 29, 2026.
Amortization	The principal amount of the 2034 Notes will be repaid in three installments. An amount equal to 33.3% of the original principal amount of the 2034 Notes will be repaid on January 29, 2032, and an additional amount equal to 33.3% of the original principal amount of the 2034 Notes will be repaid on January 29, 2033. The remaining outstanding principal amount of the 2034 Notes will be repaid on January 29, 2034 (*i.e.*, the maturity date). Following each amortization payment, interest will accrue only on the outstanding principal amount of the 2034 Notes. The principal amount of the 2039 Notes will be repaid in three installments. An amount equal to 33.3% of the original principal amount of the 2039 Notes will be repaid on January 29, 2037, and an additional amount equal to 33.3% of the original principal amount of the 2039 Notes will be repaid on January 29, 2038. The remaining outstanding principal amount of the 2039 Notes will be repaid on January 29, 2039 (*i.e.*, the maturity date). Following each

amortization payment, interest will accrue only on the outstanding principal amount of the 2039 Notes.

Common Terms of the Notes

Form ..... The Notes will be represented in the form of global notes, without coupons, registered in the nominee name of the common depositary for Euroclear and Clearstream for the accounts of its participants.

Notes in definitive certificated form will not be issued in exchange for the global notes except under limited circumstances.

Denominations ..... The Republic will issue the Notes only in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Ranking ..... The Notes will be general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador, will be backed by the full faith and credit of Ecuador and will rank equally in terms of priority with Ecuador's External Indebtedness (other than Excluded Indebtedness), provided, that, such ranking is in terms of priority only and does not require that Ecuador make ratable payments on the Notes with payments made on its other External Indebtedness.

Withholding Tax and Additional Amounts..... Unless otherwise required by law, the Republic will make all principal and interest payments on the Notes without withholding or deducting any present or future taxes imposed by Ecuador or any of its political subdivisions or taxing authorities. If Ecuador is required by law to deduct or withhold taxes, except to the extent provided for in "Description of the Notes—Additional Amounts," the Republic will pay the holders of the Notes such additional amounts as may be necessary to ensure that they receive the same amount as they would have received without any withholding or deduction.

Representations and Covenants..... The Republic will agree to comply with, among others, the following covenants:

a) The Republic will obtain and maintain in full force and effect all Ecuadorian Authorizations necessary under the laws of Ecuador for the execution and delivery of, and performance by the Republic under, the Notes and the Indenture or for their validity or enforceability, and take all necessary and appropriate Governmental and administrative actions in Ecuador in order to be able to make all payments to be made by it under the Notes and the Indenture.

b) The Republic will ensure that at all times its obligations under the Notes are general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador and will be backed by the full faith and credit of Ecuador and ensure that the Notes will rank equally in terms of priority with Ecuador's External Indebtedness (other than Excluded Indebtedness), provided, that, such ranking is in terms of priority only and does not require that the Republic make ratable

payments on the Notes with payments made on its other External Indebtedness.

c) The Republic will use its reasonable best efforts to list and thereafter to maintain the listing of the Notes on the Luxembourg Stock Exchange.

d) The Republic will not create or suffer to exist, or permit the Banco Central to create or suffer to exist, any Lien upon any of its present or future assets or revenues to secure or otherwise provide for the payment of any External Indebtedness of Ecuador or the Banco Central unless, on or prior to the date such Lien is created or comes into existence, the obligations of the Republic under the Notes and the Indenture are secured equally and ratably with such External Indebtedness, subject to certain exceptions.

e) The Republic will, on an annual basis publish no later than June 30 of the relevant year (which can be by posting to a publicly available website maintained by the Republic) the Republic Aggregate Debt Information with respect to the preceding calendar year.

Events of Default..... The Notes will contain, among others, the following events of default, the occurrence of which may result in the acceleration of the Republic's obligations under the Notes prior to maturity:

a) The Republic fails, on the applicable payment date, to (i) make any payment of principal or Make-Whole Amount on the Notes (unless such non-payment is due to an administrative or technical error and is remedied within five Business Days of the date when such payment is due) or (ii) make any payment of an interest amount or Additional Amount on the Notes within 30 days of the date when such payment is due.

b) The Republic fails to observe or perform with any other obligation under the Notes or under the Indenture (in each case, other than those referred to in (a) above) for a period of 30 days following written notice to the Republic from the Trustee or holders of at least 25% of the aggregate principal amount of the Notes then outstanding regarding that default.

c) The Republic, or a court of proper jurisdiction, declares a formal and official suspension of payments or a moratorium with respect to the payment of principal of, or interest on, Ecuador's External Indebtedness (other than Excluded Indebtedness).

d) The Republic fails to make any payment in respect of any External Indebtedness (other than Excluded Indebtedness) in an aggregate principal amount in excess of U.S.$50,000,000 (or its equivalent in any other currency) when due (as such date may be extended by virtue of any applicable grace period or waiver).

e) The holders of at least 25% of the aggregate outstanding principal amount of any External Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount in excess of U.S.$50,000,000 (or its equivalent in any other currency), accelerate or declare such External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled

prepayment), prior to its stated maturity, as a result of any default by Ecuador under External Indebtedness, and such acceleration, declaration or prepayment is not annulled or rescinded within 30 days.

f) The Republic denies, repudiates or contests any of its obligations under the Notes or the Indenture in a formal administrative, legislative, judicial or arbitral proceeding or any constitutional provision, treaty, law, regulation, decree, or other official pronouncement of the Republic, or any final decision by any court in the Republic having jurisdiction, renders it unlawful for the Republic to pay any amount due on the Notes or to perform any of its obligations under the Notes or the Indenture.

g) The Republic fails to maintain its membership in the IMF or ceases to be eligible to use the resources of the IMF.

h) The Republic fails to maintain its membership in, or its eligibility to use the general resources or equivalent of, any of CAF, FLAR and IDB.

i) There shall have been entered against the Republic or the Banco Central in a matter related to External Indebtedness (other than Excluded Indebtedness) a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be made, or is made within the time limit for doing so, for the payment of money in excess of U.S.$50,000,000 (or its equivalent in another currency) and 120 days shall have passed since the entry of any such order without Ecuador having satisfied such judgment.

j) There shall be made against the Republic or the Banco Central in a matter related to External Indebtedness (other than Excluded Indebtedness) an arbitral award by a tribunal of competent jurisdiction from which no appeal or application to a tribunal or court of competent jurisdiction to set aside may be made, or is made within the time limit for doing so, for the payment of money in excess of U.S.$50,000,000 (or its equivalent in another currency) and 120 days shall have passed since the making of any such award without the Republic having satisfied the award.

k) The Republic fails to publish on an annual basis no later than June 30 of the relevant year (which can be by posting to a publicly available website maintained by Ecuador) the Republic Aggregate Debt Information with respect to the preceding calendar year for a period of 90 days following written notice to Ecuador by the trustee or holders representing at least 25% in principal amount of the then outstanding Notes of such series to remedy such failure.

Use of Proceeds ..... The Republic will use the proceeds of the Notes in accordance with the limitations of the Public Planning and Finance Code, as further described in "*Use of Proceeds*."

Optional Redemption ..... The Republic will have the right at its option, upon giving (a) not less than 30 days nor more than 60 days' notice to the holders of the Notes and (b) not less than 30 days' notice to the Trustee, to redeem the Notes, in whole or in

part, at any time or from time to time prior to their maturity at a redemption price equal to 100% of the principal amount of such Notes, or if greater, the sum of the present value of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 50 basis points, with respect to both the 2034 Notes and the 2039 Notes (in each case, the "Make-Whole Amount") plus in each case accrued and unpaid interest to the redemption date on the Notes to be redeemed on such date (in each case, an "Optional Redemption"). See "*Description of the Notes—Optional Redemption— Make-whole Redemption.*"

Collective Action Clauses ..... The Notes will contain provisions, commonly known as "collective action clauses," regarding acceleration of the Notes and voting on future amendments, modifications and waivers to the terms and conditions of the Notes. These provisions, which are described in the sections entitled "Description of the Notes—Events of Default" and "Description of the Notes—Meetings, Amendments and Waivers—Collective Action," differ from those applicable to certain of the Republic's outstanding External Indebtedness (as defined herein). Under such provisions, the Republic may: (a) amend the payment provisions of the Notes and certain other reserved matters with the consent of the holders of 75% of the aggregate amount of the outstanding Series of Notes and other non-reserved matters with the consent of the holders of 66 ⅔% of the aggregate amount of the Notes; (b) make reserved matter modifications affecting two or more series of debt securities with the consent of (x) holders of at least 66⅔% of the aggregate principal amount of the outstanding debt securities of all series that would be affected by that reserved matter modification (taken in aggregate) and (y) holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each affected series (taken individually); or (c) make reserved matter modifications affecting two or more series of debt securities with the consent of holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series (taken in aggregate), provided that the Uniformly Applicable condition is satisfied, as more fully described in "*Description of the Notes—Meetings, Amendments and Waivers—Collective Action*."

Transfer Restrictions ..... The Notes have not been and will not be registered under the Securities Act, and will be subject to restrictions on transferability and resale. See "*Transfer Restrictions.*"

Listing ..... Application has been made to list the Notes on the Luxembourg Stock Exchange and to have the Notes admitted to trading on the Euro MTF Market.

Absence of a Public Market for the Notes ..... The Notes will be a new issue of securities, and there is currently no established market for the Notes. The Republic and the Initial Purchasers cannot provide any assurances that a liquid market for the Notes will develop. The Initial Purchasers have advised the Republic that they currently intend to make a market in the Notes. However, they are not obligated to do

so, and any market-making with respect to the Notes may be discontinued without notice.

Trustee, Registrar and Transfer Agent ..... The Bank of New York Mellon.

Paying Agent and Account Bank..... The Bank of New York Mellon, London Branch.

Governing Law ..... The Notes will be governed by the laws of the State of New York, except for the terms governing jurisdiction of disputes involved Ecuador are governed by English law.

Submission to Arbitration .....

(a) Any dispute, controversy or claim of any nature arising out of, relating to or having any connection with the Indenture, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of the Indenture, where the Republic is either a party, claimant, respondent or otherwise is necessary thereto, will not be referred to a court of any jurisdiction and will instead be referred to and finally resolved by arbitration under the LCIA Rules as at present in force as modified by the Indenture which LCIA Rules are deemed to be incorporated by reference. The provisions in the LCIA Rules regarding an Emergency Arbitrator shall not apply. In particular:

(i) There will be three arbitrators.

(ii) Each arbitrator will be an English or New York qualified lawyer of at least fifteen (15) years' standing with experience in relation to international banking or capital markets disputes. At least one of those arbitrators will be a lawyer qualified in New York.

(iii) If there are two parties to the Dispute, each party will be entitled to nominate one arbitrator. If there are multiple claimants and/or multiple respondents, all claimants and/or all respondents will attempt to agree upon their respective nomination(s) such that the claimants will together be entitled to nominate one arbitrator and the respondents will together be entitled to nominate one arbitrator. If any such party or multiple parties fail to nominate an arbitrator within thirty (30) days from and including the date of receipt of the relevant request for arbitration, an arbitrator will be appointed on their behalf by the LCIA Court in accordance with the LCIA Rules and applying the criteria at clause (ii) above. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration will be unaffected, and the remaining arbitrator(s) will be appointed in accordance with the LCIA Rules.

(b) The third arbitrator and chairman of the arbitral tribunal will be appointed by the LCIA Court in accordance with the LCIA Rules and applying the criteria at clause (ii) above.

(c) The seat, or legal place, of arbitration will be London, England.

(d) The language to be used in the arbitration will be English. The arbitration provisions of the Indenture will be governed by English law.

(e) Without prejudice to any other mode of service allowed by law, the Republic thereby appoints Law Debenture Corporate Services Limited as its agent (the "**Authorized Agent**") under the Indenture for service of process in relation to any proceedings before the English courts in relation to any arbitration contemplated by the Indenture or in relation to recognition or enforcement of any such arbitral award obtained in accordance with the Indenture.

If the Authorized Agent is unable to act for any reason as the Republic's agent under the Notes for the service of process, the Republic must immediately (and in any event within ten (10) days of the event taking place) appoint another agent (a "**Replacement Agent**") on terms acceptable to the Trustee.

The Republic agrees that failure by the Process Agent or, as applicable, a Replacement Agent, to notify the Republic of the process will not invalidate the proceedings concerned.

Any Dispute between the Trustee and any holders or holders only and where the Republic is not a party, claimant, respondent or otherwise is necessary thereto, will be subject to the non-exclusive jurisdiction of any New York state or United States federal court sitting in the Borough of Manhattan, the City of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Notes (except actions or proceedings arising under or in connection with U.S. federal and state securities laws), and the Trustee and the holders will irrevocably submit to such jurisdiction and agree that all claims in respect of such Dispute may be heard and determined in such New York state or United States federal court.

Scope of Sovereign Immunity..... The execution and delivery of the Indenture by the Republic constitutes, and the Republic's performance of and compliance with its obligations will constitute, an act of commercial public credit as provided under the laws of the Republic. To the extent permitted by law, the Republic will irrevocably and unconditionally agree that:

(a) the Republic submits to the jurisdiction of any Ecuadorian court and to any legal process in the Republic's courts (other than attachment proceedings prior to recognition or enforcement of an arbitral award), in connection with the enforcement of an arbitral award obtained in accordance with the Indenture, except with respect to the Immune Property, which shall be entitled to immunity from enforcement in accordance with mandatory provisions of the laws of Ecuador;

(b) the Republic submits to the jurisdiction of any court outside the Republic and to any legal process, orders or other measures in courts outside the Republic, whether through service or notice, attachment in aid of execution, execution against property of any sort, actions in rem or the grant of injunctions or specific performance, in connection with the enforcement of an arbitral award obtained in accordance with

the Indenture, except with respect to the Immune Property, which shall be immune to the fullest extent;

(c) the Republic undertakes not to invoke any defense on the basis of any kind of immunity, for itself and/or its assets which do not constitute Immune Property in respect of any of the foregoing legal actions or proceedings; and

(d) the Republic submits to the jurisdiction of the English courts in connection with any proceeding invoking the supervisory jurisdiction of those courts in relation to an arbitration conducted pursuant to the Indenture.

The levy of execution on assets of the Republic within the territory of the Republic will be carried out in accordance with and under the laws of the Republic.

The Republic irrevocably waives, to the fullest extent permitted by law, any requirement or provision of law that requires the posting of a bond or other security as a condition to the institution, prosecution or completion of any action or proceeding.

An arbitral award obtained in accordance with the Indenture will be conclusive and may be enforced in any jurisdiction in accordance with the New York Convention or in any other manner provided for by law.

"Immune Property," in accordance with the provisions of the law of Ecuador, means:

(a) any property which is used or designated for use in the performance of the functions of the diplomatic mission of Ecuador or its consular posts;

(b) aircraft, naval vessels and other property of a military character or used or designated for use in the performance of military functions;

(c) property forming part of the cultural heritage of Ecuador or part of its archives;

(d) unexploited natural non-renewable resources in Ecuador;

(e) funds managed in the national Treasury Account;

(f) assets and resources comprising available monetary reserves of Ecuador;

(g) public domain assets used for providing public services in Ecuador;

(h) national assets located in the territory of Ecuador and belonging to the Republic, such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;

(i) accounts of the Banco Central, whether they are held abroad or locally; and

(j) public entities' deposits with the Banco Central, whether they are maintained abroad or locally.

"New York Convention" means the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958.

Further Issues ..... The Republic may, from time to time, without the consent of the holders of the Notes of any series, create and issue additional notes of any series having the same terms and conditions as such series of Notes in all respects (or in all respects except for the amount of the first interest payment and the issue price) provided that:

(a) the notes are consolidated and form a single series with such series of the outstanding Notes; and

(b) such additional notes do not have, for purposes of U.S. federal income taxation, a greater amount of original issue discount than such series of outstanding Notes have as of the date of the issue of such additional notes (regardless of whether any holders of such series of Notes are subject to U.S. federal income taxation).

RISK FACTORS

This section describes certain risks associated with investing in the Notes. Investors should consult their financial and legal advisors about the risk of investing in the Notes. Ecuador disclaims any responsibility for advising investors on these matters.

Risk Factors Relating to the Republic

Ecuador has defaulted on its sovereign debt obligations in the past and has restructured its sovereign debt obligations.

In 2008, Ecuador defaulted on its interest payments for the 2012 and 2030 Notes (as defined in "Public Debt—Debt Obligations" herein) in the aggregate amount of approximately U.S.$157 million and principal payments of approximately U.S.$3,200 million. The 2012 and 2030 Notes were originally issued in exchange for prior debt offerings of Ecuador in order to extend the maturity dates of those prior obligations. These defaults followed the publication of a report in 2008 by the Commission of Integral Audit of Public Credit ("CAIC"), a committee composed of representatives from both the Government and private sector organizations and members of civil society. CAIC reviewed Ecuador's debt obligations from 1976 to 2006 and in its report made a number of findings regarding the legitimacy of Ecuador's debt obligations (including the 2012 and 2030 Notes), in particular relating to concerns involving the public assumption of private debt, appropriate authorizations, sovereign immunity, and the relevant economic terms of the debt obligations incurred. After the default, which occurred during the first term of former President Correa's administration, Ecuador offered to repurchase the 2012 and 2030 Notes at a discount to their par value. Holders responded to this offer by tendering substantially all of the 2012 and 2030 Notes. Although some holders continue to hold the defaulted 2012 and 2030 Notes, Ecuador has successfully repurchased additional 2012 and 2030 Notes from remaining holders from 2009 onwards. For more information, see "*Public Debt—Debt Obligations—2012 and 2030 Notes and tender offer.*"

In 2020, Ecuador underwent a significant restructuring of its sovereign debt to alleviate fiscal pressures resulting from the COVID-19 pandemic and a decrease in oil prices. In April 2020, Ecuador launched a consent solicitation to defer, until August 2020, payments of interest falling due between March 27, 2020 and July 15, 2020 on its Existing Republic Securities. Holders of more than 91% of the aggregate principal amount of the Existing Republic Securities (not including the bonds due 2024), whose total aggregate value amounted to approximately U.S.$17 billion, and holders of more than 82% of the aggregate principal amount of the bonds due 2024 which amounted to U.S.$2 billion, consented to Ecuador's proposal. Petroamazonas also launched in April 2020 a separate consent solicitation to amend the amortization schedule of its one outstanding series of notes, extend the maturity date from November 6, 2020, to December 6, 2021, defer principal and interest payments, and exclude cross defaults linked to specific Republic bonds and other external indebtedness up to U.S.$300,000,000. In May 2020, Petroamazonas received the requisite consents from 98.91% of eligible holders of its notes, allowing the proposed amendments to take effect following payment of a consent fee to participating eligible holders. The interest deferral obtained by Ecuador and Petroamazonas as a result of these successful consent solicitations allowed the authorities to engage in orderly discussions with its bondholders to provide Ecuador with relief for the economy to recover from the economic impacts of the COVID-19 health crisis and the decrease in the price of oil. See "*Public Debt—Debt Obligations—The April 2020 Consent Solicitations.*"

In July 2020, Ecuador launched the July 2020 Exchange Offer and Consent Solicitation. Under the July 2020 Exchange Offer and Consent Solicitation, Ecuador invited certain of the holders of the Existing Republic Securities to exchange those Existing Republic Securities for a package of New Republic Securities. In addition, pursuant to the consent solicitation, Ecuador also sought consents from such holders to modify the terms of the Existing Republic Securities. Eligible holders who agreed to exchange their Existing Republic Securities for the New Republic Securities would also receive 86% of the accrued and unpaid interest on such Existing Republic Securities up to, but excluding, the settlement date, in the form of a new zero-coupon bond due 2030. The July 2020 Exchange Offer and Consent Solicitation was subject to certain conditions, including announcement of a staff-level agreement on a program with the IMF by the settlement date. In August 2020, Ecuador announced that it had obtained the requisite consents from the holders of all ten series of Existing Republic Securities to modify the terms of such Existing Republic Securities and that it was accepting for exchange all eligible Existing Republic Securities that had been validly tendered as part of the July 2020 Exchange Offer and Consent Solicitation. Later that month, the IMF announced that it had reached a staff-level agreement on a new funded program for Ecuador, thereby satisfying the IMF-related condition of the July 2020 Exchange Offer and Consent Solicitation. Settlement of the July 2020 Exchange Offer and Consent Solicitation took place on August 31, 2020, when all eligible Existing Republic Securities that had been validly tendered as part of the July 2020 Exchange Offer and Consent Solicitation were exchanged for the New

Republic Securities. In addition, the remaining Existing Republic Securities that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040.

Ecuador's history of defaults and debt restructurings highlights its vulnerability to global oil prices and economic shocks. Any further defaults or restructurings, as well as potential legal actions by holders of past or future defaulted bonds, could materially affect the value of Ecuador's debt and the Government's ability to make timely principal and interest payments on its debt. Given Ecuador's history of defaults, including the defaults with respect to the 2012 and 2030 Notes as a result of the CAIC determining that the notes were issued illegally, and more recently, the consent solicitation and exchange offer in 2020 to address acute fiscal pressures arising from the pandemic and the collapse of oil prices. As a result of this history, Ecuador has at times faced constrained access to external financing. For further information regarding the external debt payment record of Ecuador and the history of defaults, see "*Public Debt—Debt Obligations.*"

Severe weather, natural disasters and adverse climate changes may materially adversely affect Ecuador's economy.

Due to Ecuador's geographic location in western South America, it is subject to the effects of severe weather, natural disasters and climate changes. For example, Ecuador is located in an active seismic area where the risk of an earthquake or tremors is high. On April 16, 2016, the Pedernales Earthquake, a 7.8 magnitude earthquake, struck the northern coast of Ecuador above the convergent boundary where the Nazca tectonic plate subducts beneath the South American tectonic plate. In March 2023, a 6.8 magnitude earthquake struck in Guayaquil, following which President Lasso declared a state of emergency in respect thereof on March 20, 2023. Ecuador is also particularly vulnerable to the effects of the El Niño phenomenon of warming temperatures in the central and eastern Pacific Ocean, occurring every two to seven years and lasting typically up to a year. When it occurs, the irregular El Niño climatic phenomenon can cause heavy rains, landslides, widespread flooding and hotter temperatures across Ecuador. For example, on June 17, 2024, OCP was forced to suspend pipeline operations due to erosion concerns following heavy rainfall and the rising Coca River. This disruption lasted for 16 days, with operations resuming on July 3, 2024, and resulted in significant economic losses, with estimates suggesting a loss of approximately U.S.$6.5 million per day, or a total loss of approximately U.S.$104 million (approximately 0.1% of the country's GDP for 2023). However, El Niño is a complex climatic event and can impact different regions in different ways, often causing both extreme wet (typically in coastal regions) and dry conditions simultaneously (typically in the Andean valleys). For example, during 2023-2024 Ecuador experienced a severe drought – its worst in over 60 years according to international observers – which reduced water reserves to critical levels. These conditions severely impaired hydroelectric power generation and triggered a national power crisis that lead to widespread blackouts, with outages lasting up to 14 hours a day. The crisis had a significant financial impact, with estimated losses in the business sector of approximately U.S.$12 million for every hour without electricity, according to the Ecuadorian Business Committee (*Comité Empresarial Ecuatoriano*).

Hydropower accounts for a substantial portion of Ecuador's electricity generation, and the reduced water levels in the aggregate led to electricity shortages, scheduled blackouts and increased reliance on more expensive thermal power. This power crisis had negative effects on core industries, including oil production and agriculture, further weakening Ecuador's economic conditions and increasing the financial strain on the government. See "*The Republic of Ecuador—Ecuador's Power Sector Crisis.*"

Any of the meteorological or seismic phenomena that can potentially occur in Ecuador can materially adversely affect the country's core industries, such as oil production or agricultural production, as well as power generation, which in turn would have a negative effect on the financial conditions of Ecuador. In addition, Ecuador's glaciers have decreased significantly, reflecting broader global trends in glacial loss, which reduces the water available for agriculture, hydroelectric generation and other key economic activities, potentially exacerbating the impact of droughts and dry conditions on the country. The potential impact of climate change on Ecuador's economy and infrastructure, however, remains challenging to quantify, as no comprehensive models are currently available to assess the full range of possible effects.

Public health crises and pandemics/epidemics, such as the outbreak of the COVID-19 virus, may materially adversely affect the Republic's economy.

The COVID-19 pandemic had a severe impact on the Republic's economy, and on the health and welfare of the people of Ecuador. In 2020, as a result of the COVID-19, the Republic's GDP contracted 9.2%. This economic slowdown consisted of: (i) a decrease of 4.5% in gross fixed capital formation and 6.8% in household final consumption expenditure; (ii) a reduction of 0.6% in general government final consumption expenditure; (iii) a 0.9% contraction in exports of goods and services and (iv) a 4.4% increase in imports of goods and services. In addition, social distancing and stay-at-home quarantine

measures imposed to minimize pressure on the healthcare system and contain social costs, adversely affected other productive sectors of the economy. Reduced activity in these economic sectors resulted in reduced employment and less income for families and companies. COVID-19 generated a simultaneous shock on supply and demand – a supply shock resulting from the sudden significant decrease in production in multiple economic sectors and a collapse in demand as a result of reduced consumption – which amplified the negative effects on the economy.

While Ecuador's economy has recovered from the pandemic, the magnitude and duration of the pandemic and its impact on the Republic's economic, social and public health situation continues to cause uncertainty and hence the Republic's economic, political and social conditions could be materially adversely affected by COVID-19 and/or other novel pandemics/epidemics. Moreover, the Republic cannot assure you that any measures it adopts to counteract the effects of COVID-19 or any other future epidemics/pandemics will be sufficient to restore public confidence or to restore economic growth. To the extent COVID-19 or any new pandemics/epidemics adversely affect the Republic's economic, political and social situation, it may also have the effect of heightening many of the other risks described in "*Risk Factors.*"

Ecuador may incur additional debt, which may result in non-compliance with its debt-to-GDP limit under Ecuadorian law, which could materially adversely affect the Ecuadorian economy and the interests of the holders of its debt.

Ecuador's public debt has surpassed the 40% of GDP ceiling established by the Public Planning and Financing Code of 2010, which restricts Ecuador's borrowing capacity. The Organic Law for the Regulation of Public Finances passed in 2020 waived this debt ceiling until 2032 by requiring a gradual reduction of the public debt-to-GDP ratio starting at 57% by 2025, down to 45% by 2030 and 40% by 2032, after which public debt-to-GDP will be required by law to be kept at or below the legal limit of 40%. As of September 30, 2025, Ecuador's current debt-to-GDP ratio is 46.7%, well below the target amount for 2025.

Despite these steps, Ecuador's ability to achieve its debt reduction targets is uncertain, and any failure to comply could materially impact the Ecuadorian economy and the interests of debt holders. Additionally, exemptions allowing higher borrowing in the short term are permitted under the law in the case of public investment programs and projects of national interest, provided that more than 50% of the National Assembly approves the exemption in connection with a specific project. The use of this exemption could lead to increased public debt levels, further affecting Ecuador's ability to meet future obligations.

Ecuador has been affected by political instability and corruption scandals throughout its history and the subsequent political, economic and social effects could adversely affect Ecuador.

Ecuador has experienced significant political instability and corruption scandals throughout its history, which may affect the country's ability to meet its debt obligations. Between 1997 and 2007, three presidents were overthrown during periods of political unrest. Although the country experienced political stability under former President Correa, recent years have seen increased turmoil. Corruption scandals have affected multiple high-level officials, including former Vice President Glas and former President Correa, both of whom were tried and convicted by Ecuadorian courts for corruption. See "*The Republic of Ecuador—Form of Government.*" More recently, in early 2023, opposition legislators in the National Assembly initiated impeachment proceedings against former President Lasso based on accusations of embezzlement and other charges. Former President Lasso consistently denied the accusations, claiming they were politically motivated and lacked sufficient evidence and, on May 17, 2023, invoked Article 148 of the Constitution to dissolve the National Assembly, effectively ending the impeachment trial, and call for early elections in which current President Noboa emerged victorious on October 15, 2023. President Noboa was elected to finish President Lasso's term and was subsequently re-elected in April 2025, beginning his first full constitutional term on on May 24, 2025. See "*The Republic of Ecuador—Form of Government.*"

Political tensions have also led to national strikes, including the June 2022 protests against economic policies and the 2019 protests over fuel subsidy removal, both of which caused significant economic disruptions and material losses. Ecuador's efforts to combat corruption and stabilize its political environment remain ongoing, but no assurance can be given that these issues will be resolved in the near term or at all. In addition, allegations of or concerns about corruption activity, or actual or alleged violations of applicable anti-corruption, anti-bribery, or anti-money laundering laws by governmental authorities, could materially and adversely impact the Republic's reputation, ability to attract foreign investment, and access to international financing, any or all of which could have a material adverse effect on the Republic's economic growth and its ability to make payments on its debt obligations.

Increased violence and organized crime in Ecuador could adversely impact the economy, investment climate, and political stability.

The substantial increase in violence and organized crime in Ecuador, including record levels of homicide and gang activity, could have a material adverse effect on Ecuador's economy, investment climate and political stability. According to the Ecuadorian Organized Crime Observatory, homicides rose by 574.3% from 2019 to 2023, resulting in a homicide rate of 47.3 per 100,000 inhabitants by the end of 2023, positioning Ecuador as one of the most violent countries in Latin America. Despite a reported decrease in homicides in the first half of 2024, the incidence of violence remains high throughout the country, with sustained elevated levels in key economic regions, including Guayaquil, Los Ríos and other areas critical to Ecuador's economy.

The sharp increase in violent crime, driven largely by organized criminal groups involved in drug trafficking, illegal mining and other illicit activities, may significantly disrupt economic activity in affected areas, potentially impacting economic growth and reducing government revenues. High-profile incidents, such as the assassination of political figures, car bombings and public displays of gang violence, have raised security concerns and may deter both domestic and foreign investment. Ecuador's tourism industry, an important contributor to foreign exchange, may also suffer if concerns over safety discourage international visitors.

The heightened violence and crime may also negatively affect the Republic's investment climate, potentially deterring foreign direct investment ("FDI") due to perceived risks associated with security and governance. Ecuador's role as a transit point for drug trafficking has drawn international attention. Increased scrutiny by international regulatory bodies may impose compliance burdens on Ecuador, and there can be no assurance that recent security measures, including expanded military engagement in law enforcement, will succeed in stabilizing the security situation. If the violence continues unabated, investors may further question the safety and stability of the Republic as an investment destination, potentially leading to reduced FDI inflows and impairing economic performance. Furthermore, the Government's response to the security crisis may result in significant political and policy shifts, introducing uncertainties for the Republic's future governance and regulatory landscape. In January 2024, the President declared a state of emergency in response to internal armed conflict, which includes emergency measures such as deploying the military for domestic policing, restricting civil liberties and authorizing the use of lethal force against designated criminal groups. While a referendum in April 2024 approved several of these emergency measures on a permanent basis, public support may fluctuate, and there can be no assurance that the Republic will not face additional domestic or international challenges to its policy approaches. As a result, Ecuador's political and regulatory environment may become increasingly uncertain, which could further impact investor confidence and Ecuador's ability to attract capital.

Given the current environment of elevated violence, organized crime and governmental responses, the Republic's economy, investment climate and political stability remain exposed to risks that could materially and adversely affect Ecuador's economic performance and ability to meet its obligations.

Certain economic risks are inherent in any investment in an emerging market country such as Ecuador.

Investing in an emerging market country such as Ecuador carries economic risks. These risks include many different factors that may affect Ecuador's economic results, including the following:

- interest rates in the United States and financial markets outside Ecuador;
- inflation;
- changes in economic or tax policies in Ecuador;
- the imposition of trade barriers by Ecuador's trade partners (see "*Changes in United States trade policy, including the adoption of tariffs and related trade measures, could have an adverse effect on Ecuador's economy, external sector and fiscal position.*");
- general economic, political, and business conditions in Ecuador, Ecuador's major trading partners, and the global economy;

- the ability of Ecuador to effect key economic reforms, including its economic strategy to re-balance the economy by increasing the percentage of GDP represented by the non-oil economy (see "*The Ecuadorian Economy—Strategic Sectors of the Economy—Oil Sector*");

- political and social tensions in Ecuador;

- the prices of commodities, including oil and mining;

- the recent energy crisis in the country and recent wildfires in Quito, which underscore the increasing frequency and severity of extreme weather events, creating heightened risks of natural catastrophes that may further impact Ecuador's economy and infrastructure (see "*The Republic of Ecuador—Ecuador's Power Sector Crisis*");

- the impact of policies, sanctions, hostilities including war or political unrest (including the ongoing war in Ukraine, as well as the various current conflicts in the Middle East) and other geopolitical tensions in other countries that may affect international trade, commodity prices and the global economy; and

- the decisions of international financial institutions regarding the terms of their financial assistance to Ecuador. Ecuador's economy remains vulnerable to external shocks, including the negative global economic consequences resulting from the ongoing economic challenges stemming from the aftermath of the COVID-19 pandemic, the fluctuations in international oil prices since 2020, persistent global inflationary pressures, ongoing geopolitical tensions affecting global trade and energy markets. Moreover, future significant economic difficulties of its major regional trading partners could have a material adverse effect on Ecuador's economic growth and its ability to service its public debt. Political events such as a change in administration in the United States or changes in the policies of the European Union, other emerging market countries or Ecuador's regional trading partners or in Latin America generally could impact Ecuador's economy. Emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. Generally, investment in emerging markets is only suitable for sophisticated investors who appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets.

There can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Ecuador. In addition, there can be no assurance that these events will not adversely affect Ecuador's economy, its ability to raise capital in the external debt markets in the future or its ability to service its public debt.

Ecuador's economy is vulnerable to external shocks and to more general "contagion" effects, each of which could have a material adverse effect on Ecuador's economic growth and its ability to raise funding in the external debt markets in the future.

Emerging market investment generally poses a degree of risk because the economies in the developing world are susceptible to destabilization resulting from domestic and international developments. Compared to some other developing countries, Ecuador is more immediately exposed to external shocks from adverse economic and financial developments in other countries and markets. One of the main reasons for such vulnerability is that Ecuador uses U.S. dollars as its official currency. Its government, therefore, lacks the ability to adjust internal monetary policy or devalue its currency to cushion the external shocks.

In addition, Ecuador's economy is highly dependent on a few categories of exports and a significant drop in the price of these commodities could adversely affect the country's economy. Ecuador's top exports include crude oil, shrimp, mining products (specially gold and copper) and cocoa, which on average account for more than 80% of Ecuador's total export revenue. Some of Ecuador's main export partners may be under broader adjustments to their trade policies, which may increase Ecuador's susceptibility to adverse external effects. In addition, because international investors' reactions to events occurring in one emerging market sometimes produce a "contagion" effect, whereby an entire region or class of investments is disfavored by international investors, Ecuador could be adversely affected by negative economic or financial developments in other jurisdictions.

A significant increase in interest rates in the international financial markets may adversely affect the liquidity of, and trading markets for, the debt securities. Higher interest rates could also increase Ecuador's borrowing costs, reduce investor demand for Ecuadorian securities, and negatively impact the country's ability to access external financing on favorable terms.

We cannot assure you that any developments like those described above will not negatively affect investor confidence in mature market economies, emerging markets or the economies of the countries in Latin America, including Ecuador. In addition, we cannot assure you that these events will not adversely affect Ecuadorian economy and its ability to raise funding in the external debt markets in the future.

A number of factors, including significant volatility in oil prices, have impacted and may continue to impact the Republic's revenues and the performance of the Ecuadorian economy.

The economy of Ecuador and the Republic's budget are highly dependent on oil revenues. During the first nine months of 2025, consolidated oil revenues for the non-financial public sector were U.S.$9,841.9, compared to U.S.$11,092.2 for the same period in 2024. In 2024, consolidated oil revenues for the non-financial public sector amounted to U.S.$14,847.3. The price and international demand for crude oil are affected by many factors, including:

- global economic and political conditions as well as economic and political developments in oil producing nations;
- market expectations regarding future supply of crude oil and petroleum derivatives;
- the impact of climate change, and more generally global weather and environmental conditions, on the demand for, and the price of, hydrocarbons;
- the impact of international and national environmental regulations designed to reduce carbon emissions;
- the development of new crude oil exploration, production and transportation methods or other innovations in existing methods;
- prices and development of alternative energies, including renewable energy, and the shift to electric vehicles in some of Ecuador's trading partners including the United States;
- fluctuations in the value of the U.S. Dollar, the currency used to price oil globally;
- the decisions of OPEC, its constitutive members and other crude oil producing nations;
- price wars between large oil producing nations, such as the one that occurred in 2020 between Russia and Saudi Arabia; and
- geopolitical conflicts, such as the ongoing war in Ukraine, which caused shifting European energy policies away from Russian oil and gas dependency, as well as the various current conflicts in the Middle East or potential future disruptions in the South China Sea or involving Venezuela.

There can be no assurance that the foregoing factors, whether individually or in the aggregate, will not result in a prolonged or continued volatility in oil prices. As a result, there can also therefore be no assurance that Government revenues from petroleum exports will not experience significant fluctuations as a result of changes in the international petroleum market. Concerns with respect to global recession and weakness of the world economy, particularly as a result of terrorism, market volatility and certain geopolitical developments, political instability and the ongoing wars in Ukraine and the Middle East, may have a potentially adverse effect on the petroleum market as a whole and on Ecuador in particular.

In addition, during the period from January to December 2024, a significant portion of Ecuador's crude oil exports was concentrated in a limited number of markets, with Panama, the United States and Peru accounting for approximately 92.1% of total exports (67.8%, 17.7% and 6.6%, respectively). Similarly, during the period from January to November 2025, crude oil exports continued to exhibit a high degree of geographic concentration, with Panama, Peru and Chile accounting for approximately 96.4% of total exports (84.8%, 6.5% and 5.1%, respectively). Adverse economic conditions, regulatory changes

or disruptions in any of these principal destination markets could have a material adverse effect on Ecuador's oil export revenues and overall economic activity.

Further, operating difficulties in certain oil fields, lower production budgets, national strikes and social protests and the outages and the overhaul of Ecuador's largest refinery, the Esmeraldas Refinery (see "*The Ecuadorian Economy—Strategic Sectors of the Economy—Oil Sector*"), have led to uneven crude oil and petroleum derivatives production over the last few years. While Ecuador expects to increase production through the development of new fields, future political opposition, the fluctuation in international oil prices, budget adjustments that affect investments in oil exploration, natural disasters such as earthquakes or rivers regressive erosions provoking force majeure events, pipeline ruptures, or further outages caused by national strikes, social protests or otherwise could result in a decline of overall production. A decrease in the price of oil below the budgeted price can result in lower government revenues and higher fiscal deficits, which may necessitate adjustments in government spending or borrowing to meet budgetary requirements. Accordingly, any sustained period of decline in capacity, if exacerbated by a decline in oil production, could adversely affect Ecuador's fiscal accounts and international reserves.

Failure to reduce greenhouse gas ("GHG") emissions could curtail the profitability of Ecuador's hydrocarbon and industrial sectors.

In the years ahead, the global hydrocarbon and industrial sectors may face increased international regulation relating to GHG emissions. Like any significant changes in the regulatory environment, GHG regulation could have the impact of curtailing profitability in the hydrocarbon and industrial sectors reducing Ecuador's income from oil and gas operations and in tax revenues. In the long term, Ecuador's oil and gas operations could become economically less remunerative and viable.

International agreements and regulatory measures that aim to limit or reduce GHG emissions are currently in various stages of implementation. For example, the Paris Agreement went into effect in November 2016, and a number of countries are studying and adopting policies to meet their Paris Agreement goals. Since then, countries have significantly increased their climate pledges and regulatory frameworks to accelerate decarbonization efforts, leading to a more stringent regulatory landscape globally. Other jurisdictions are considering adopting or are in the process of implementing laws or regulations to directly regulate GHG emissions through similar or other mechanisms such as, for example, via a carbon tax (e.g. Singapore, Canada and Colombia) or via a cap-and-trade program (e.g. Mexico, China and the European Union). In July 2024, the European Union adopted the Carbon Border Adjustment Mechanism, which imposes a carbon pricing on imported goods such as aluminum and steel to ensure that the carbon price of imports is equivalent to the carbon price of domestic production. Although the European Union is not a major export market for Ecuador's oil, this move, along with similar actions in other countries, increases the pressure on Ecuador's industrial sector to comply with stricter emissions standards or face higher costs in key export markets.

The landscape continues to be in a state of constant re-assessment and legal challenge with respect to these laws and regulations, making it difficult to predict with certainty if this will have an adverse effect on, among other things, GDP growth, government revenues, balance of payments and foreign trade. As international regulations become more stringent, Ecuador may face significant challenges in balancing its economic reliance on the hydrocarbon sector with the growing need for GHG reduction, which could further impact its economic stability.

Commodity prices are volatile, and a significant decline in commodity prices could adversely affect Ecuador's economy and its ability to perform its obligations under its existing debt.

In addition to petroleum prices, see "*Risk Factors—Risk Factors Relating to Ecuador—A number of factors, including significant volatility in oil prices have impacted and may continue to impact on revenues and the performance of the economy.*" Ecuador's economy is highly exposed to other commodity price volatility, especially with regard to shrimp and bananas, which made up approximately 11.2% and 20.3% of Ecuador's total non-oil exports for the year 2024, respectively.

Ecuador has taken steps to diversify its shrimp export markets, which have traditionally relied significantly on China. In recent years, Ecuador has expanded its shrimp exports to the U.S. and European markets, which have begun to account for a larger share of shrimp revenues. This diversification has reduced Ecuador's dependence on a single market and could potentially mitigate the impact of disruptions or price volatility in the region.

However, a significant drop in the price of certain commodities, such as oil, shrimp or bananas, would adversely affect Ecuador's economy and could affect Ecuador's ability to perform its obligations under its existing debt obligations. The

recent downward trend in global commodity prices, driven by weakening global demand and geopolitical tensions, underscores the vulnerability of Ecuador's export revenues to external market conditions. Prolonged periods of low commodity prices could lead to a substantial decrease in fiscal revenue, deteriorate the balance of payments and hinder Ecuador's ability to meet its debt service requirements.

Changes in United States trade policy and geopolitical and economic developments in Latin America, including tariffs and related trade measures, could adversely affect Ecuador's economy, external sector and fiscal position.

The United States has adopted a revised approach to trade policy and, in certain cases, to renegotiate, modify or terminate existing bilateral and multilateral trade arrangements. In addition, the United States has imposed, or is considering the imposition of, tariffs on imports from certain trading partners and on specific categories of goods.

Changes in United States trade policy could result in retaliatory or reciprocal measures by affected countries, increased trade barriers or disruptions to global supply chains. These developments could reduce demand for Ecuadorian exports, increase costs for imported inputs and intermediate goods, or adversely affect key export sectors, including agricultural and industrial products that are sensitive to access to the United States market. Any reduction in export volumes or deterioration in export prices could negatively affect Ecuador's balance of payments, economic growth and fiscal revenues.

Recent geopolitical events in Latin America, including the removal and detention of Nicolás Maduro in Venezuela in January 2026 and the subsequent appointment of an interim government, have introduced significant uncertainty into the region. While financial markets have responded with optimism regarding the potential for debt restructuring and economic normalization in Venezuela, the long-term implications for regional stability, trade flows, and investor confidence remain highly uncertain. The transition in Venezuela could result in shifts in regional alliances, changes in trade and investment patterns, and potential spillover effects that may impact Ecuador's external sector and fiscal position. Conversely, a large-scale return of Venezuelan migrants to their home country could reduce fiscal pressures on Ecuador by lowering public expenditures on education, healthcare, and social services.

Certain countries in the region, including Venezuela, have experienced and may continue to experience periods of political and economic instability. In addition, diplomatic tensions between Latin American countries and other countries, including the United States, on matters such as immigration policy and tariffs, could result in the imposition of measures intended to address perceived threats to national security, foreign policy interests or economic conditions. More broadly, heightened trade tensions, the expansion of tariff measures or the emergence of a broader trade conflict could contribute to increased volatility in global financial markets, slower global economic growth and reduced investor confidence. These factors could limit Ecuador's access to international markets, increase borrowing costs or adversely affect foreign direct investment flows.

Ecuador cannot predict future changes in U.S. trade policy, the outcome of the political transition in Venezuela, or the scope, duration or impact of any trade measures or related responses. Any such developments could have a material adverse effect on Ecuador's economy, public finances and ability to service its debt.

Ecuador is a sovereign state and has not waived its sovereign immunity to the fullest extent permitted under the United States Foreign Sovereign Immunities Act of 1976; accordingly, it may be difficult to obtain or enforce judgments against it.

Ecuador is a sovereign state. Consequently, it may be difficult for investors or lenders to effect service of process within their own jurisdictions upon Ecuador or to obtain or realize judgments against Ecuador in the United States or elsewhere. For example, Argentina defaulted on part of its external debt beginning in 2002. Holders of those bonds issued by Argentina had difficulty in obtaining payment from the defaulted issuer, as described further in the risk factor entitled "*Certain federal court decisions in New York create uncertainty regarding the meaning of ranking provisions and could potentially reduce or hinder the ability of sovereign issuers to restructure their public sector debt.*"

Furthermore, the dispute resolution provisions of certain debt instruments of Ecuador require submission to arbitration at the London Court of International Arbitration while the contractual provisions themselves are governed by New York law. In order to obtain an enforceable judgment any disputes will have to be submitted first to the decision of an arbitral panel prior to being subject to enforcement by an applicable court.

To the extent holders of Ecuador's debt were to bring suit in Ecuador or attempt to enforce a foreign judgment or arbitral award in Ecuador, under the laws of Ecuador certain property of Ecuador is exempt from attachment. In addition, pursuant to the terms of the certain debt instruments of Ecuador, Ecuador has limited its sovereign immunity (other than with respect to the laws of Ecuador) with respect to actions brought against it under such debt instruments.

This limitation of immunity, however, may be more limited in scope than those under certain other sovereign issuances in which issuers may waive immunity to the full extent under the U.S. Foreign Sovereign Immunities Act of 1976.

Given this limitation on the scope of immunity, as well as the limitations of the U.S. Foreign Sovereign Immunities Act of 1976 and the immunity granted to Ecuador under Ecuadorian law, or which may in the future be granted under Ecuadorian law, holders seeking to attach assets of Ecuador may not be able to do so within Ecuador and may face difficulties doing so outside of Ecuador.

Ecuador is involved in a number of legal proceedings and disputes that could result in losses to Ecuador as well as a decrease in foreign investment.

Ecuador is currently involved in several legal proceedings, mainly related to contracts in the oil and electricity sectors. For a description of these legal proceedings and other proceedings against Ecuador, see "*Legal Proceedings.*" Legal disputes, if resolved unfavorably, could significantly impact Ecuador's public finances, disrupt fiscal planning, and lead to increased borrowing costs.

Additionally, ongoing litigation and their uncertain outcomes could undermine investor confidence, resulting in reduced foreign investment inflows, particularly in key sectors such as oil and electricity. Ecuador can provide no assurance that these or any other proceedings will be resolved favorably, further elevating the risk of financial loss and weakening its economic stability.

Payments to holders of Ecuador's debt could be challenged by creditors, including holders of other debt instruments of Ecuador, to satisfy awards against Ecuador.

There is a risk that creditors could attach payments of interest and principal by Ecuador to its external creditors because, until payments reach creditors of such debt, they could possibly be deemed to be the assets of Ecuador making them susceptible to legal actions by creditors seeking to satisfy claims and/or enforce awards or judgments against Ecuador. If such actions were successful, Ecuador's ability to fulfil its payment obligations to debtholders could be compromised. For more information on these pending awards, see "*Legal Proceedings*" and "*Risk Factors—Risk Factors Relating to Ecuador—Ecuador is involved in a number of legal proceedings and disputes that could result in losses to Ecuador as well as a decrease in foreign investment.*"

For further information about the attempts of creditors of Argentina to enforce payment obligations on defaulted sovereign debt, see "*Certain federal court decisions in the United States create uncertainty regarding the meaning of ranking provisions and could potentially reduce or hinder the ability of sovereign issuers to restructure their public sector debt.*"

Specifically, payments of principal and/or interest on debt of Ecuador may be attached, enjoined or otherwise challenged by holders of other debt instruments of Ecuador. There is a risk that remaining holders of 2012 and 2030 Notes may institute proceedings against Ecuador and may seek to enforce any judgments obtained by seeking to attach assets of Ecuador. See "*Public Debt—Debt Obligations—2012 and 2030 Notes and tender offer.*" Any action by the holders of the 2012 and 2030 Notes, or any further defaults by Ecuador on its sovereign debt obligations, could materially adversely affect the market value of Ecuador's debt obligations and its ability to make principal and interest payments free of the risk of attachment. Any action by the holders of the 2012 and 2030 Notes making similar pari passu arguments as the holders in NML Capital, Ltd. v. Republic of Argentina (see "*Certain federal court decisions in the United States create uncertainty regarding the meaning of ranking provisions and could potentially reduce or hinder the ability of sovereign issuers to restructure their public sector debt*") or any further defaults by Ecuador of its sovereign debt obligations, could materially adversely affect the market value of Ecuador's debt and the ability of Ecuador to make principal and interest payments free of the risk of attachment.

Some creditors have, in recent years, used litigation tactics against several sovereign debtors that have defaulted on their sovereign bonds including Ecuador, Nicaragua, Argentina, Congo and Liberia, to attach or interrupt payments made by these sovereign debtors to, among others, holders of the relevant defaulted bonds who agreed to a debt restructuring and

accepted new securities in an exchange offer. Ecuador may also become subject to suits to collect on defaulted indebtedness. Ecuador cannot guarantee that a creditor will not be able to interfere, through an attachment of assets, injunction, temporary restraining order or otherwise, with payments made under its debt.

The ability of Ecuador to counter external shocks through economic policy is limited.

Ecuador instituted the Dollarization Program in the year 2000, replacing the Ecuadorian sucre with the U.S. dollar. As a result, Ecuador lacks the ability to mint its own currency, significantly limiting its flexibility to respond to economic challenges through traditional monetary policy. Due to the current market conditions, Ecuador may be at risk if it cannot export sufficient goods to receive additional U.S. dollars, since it heavily relies on maintaining a positive balance of trade to ensure adequate U.S. dollar inflows. The country's total export and remittance income must exceed the cost of imports, and any shortfall could severely impact economic stability.

In addition, due to the Dollarization Program, the ability of Ecuador and/or the Central Bank to adjust monetary policy and interest rates in order to influence macroeconomic trends in the economy, particularly in response to external shocks, is limited. Disruptions experienced in the financial markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction in available financing, which heightens Ecuador's vulnerability to external shocks, as the country has fewer tools to mitigate those impacts.

Furthermore, by law, Ecuador's oil revenues can only be used to finance infrastructure projects, which significantly limits the Government's ability to use these funds for broader fiscal policy measures or to address immediate economic needs. Given that oil is a key export and revenue source for Ecuador, these restrictions further reduce the Government's financial flexibility during times of crisis. Accordingly, Ecuador's ability to use the tools of monetary policy to correct external shocks to the economy is limited.

Ecuador faces challenges in its ability to access external financing and will likely continue to rely on multilateral lending as its main source of foreign capital.

Due to a number of factors, including the COVID-19 crisis and the decline in international oil prices, Ecuador restructured its external bonds in 2020.

The difficulties Ecuador has had in the past servicing its debt and the discounts and extension of maturities which holders of such debt were offered and negotiated as part of the restructuring may result in less of a willingness of international capital market investors to purchase and hold Ecuadorian international bonds. See also "*Risk Factors—Risk Factors Relating to Ecuador*."

Ecuador has defaulted on its sovereign debt obligations in the past, in particular its obligations under the 2012 and 2030 Notes and has restructured its sovereign debt obligations." At the same time, given the fluctuations in Ecuador's level of International Reserves in the last few years its ability to obtain diverse sources of international funding has become increasingly important. See "*Public Sector Finances—Overview—Fiscal Policy.*" Since the U.S. dollar is legal tender in Ecuador, the level of International Reserves may not be an indicator of Ecuador's ability to meet current account payments as would be the case in an economy where the dollar is not legal tender. Furthermore, Ecuador's history of defaults and past restrucurings—including the consent solicitation and exchange offer in 2020—has contributed to periods of constrained access to external financing. For further information regarding the external debt payment record of Ecuador and the history of defaults, see "*Public Debt—Debt Obligations.*" Ecuador is therefore likely to depend on multilateral lending as its main source of foreign capital in the near- to medium-term. Consequently, if Ecuador fails to reach satisfactory arrangements with multilateral lenders, Ecuador's limited access to foreign capital could be curtailed, which could have a material adverse effect on Ecuador's economic prospects.

On April 25, 2024, the Development Bank of Latin America and the Caribbean (the "CAF") approved an U.S.$800 million short-term liquidity financing for Ecuador. This loan, granted under CAF's Extraordinary Liquidity Financing instrument, was designed to provide immediate financial support to Ecuador as it finalized negotiations for a larger U.S.$4 billion 48-month Extended Fund Facility ("EFF") with the IMF. The timing of CAF's approval coincided with the IMF's announcement of a staff-level agreement with Ecuador on the same day. CAF's loan, made possible by its status as an authorized Special Drawing Rights holder, aimed to complement the IMF's support and assist Ecuador in addressing its economic challenges. On May 31, 2024, Ecuador secured the U.S.$4 billion EFF with the IMF, which aims to support Ecuador's economic policies under President Noboa's administration. Key commitments include fiscal consolidation,

expansion of social safety nets, financial sector oversight improvements and enhanced governance and transparency measures. The EFF provided for an immediate disbursement of U.S.$1 billion for budget support and is designed to help Ecuador address its fiscal challenges, increase dollar reserves, and implement crucial economic reforms. See "*Public Debt—IMF's Extended Fund Facility and Rapid Financing Instrument.*" Other international financial institutions such as the World Bank and the the Inter-American Development Bank ("IADB") have continued to make loans to Ecuador.

Until Ecuador regains normal access to the international private capital markets, official multilateral sources will likely remain Ecuador's chief source of foreign capital.

Ecuador's credit ratings may not capture all risks associated with investing in its debt and there can be no assurance that Ecuador's credit rating will improve, remain stable, not be downgraded, suspended or cancelled by the rating agencies.

Sovereign credit ratings are an assessment by rating agencies of Ecuador's ability to pay its debts when due. Consequently, real or anticipated changes in Ecuador's sovereign credit ratings will generally affect the market value of its debt and potentially affect Ecuador's cost of funds in the international capital markets and the liquidity of and demand for Ecuador's debt securities. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of Ecuador's debt. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating. Ecuador's current ratings and the rating outlooks currently assigned to it are dependent upon economic conditions and other factors affecting credit risk that are outside the control of Ecuador. Standard & Poor's ("S&P") has rated Ecuador B- with a stable outlook for its long-term issuer default rating, which was last updated in August 2025. Moody's Investors Service ("Moody's") has assigned Ecuador a Caa3 rating with a stable outlook, a rating that has remained unchanged since February 2021. Fitch Ratings ("Fitch"), on the other hand, has affirmed Ecuador's rating at B- as of November 2025, reflectingits expectation of good recovery prospects in a default scenario, given that the sovereign does not have high public debt burdens —measured as government debt-to-GDP or general government interest payments as a percentage of revenue—relative to its debt-carrying capacity. There can be no assurances that such credit ratings will be maintained for a certain period of time or that such credit rating will not be downgraded, suspended or cancelled upon the credit ratings agencies' consideration or if circumstances will so require. Each rating should be evaluated independently of the others. Detailed explanations of the ratings may be obtained from the rating agencies. Any credit rating downgrade, suspension, or cancellation may have an adverse effect on the market price and the negotiation of debt securities.

Cybersecurity threats and data breaches could adversely impact Ecuador's economy, government operations, and public trust.

Ecuador's digital infrastructure and data security measures continue to face increasing risks of cyberattacks and data breaches, which could have material adverse effects on government operations, essential services, economic activity and public trust in national institutions. Since 2018, Ecuador has experienced multiple cybersecurity incidents of varying magnitude, including critical ransomware event and data leaks resulting from unauthorized access. These incidents required coordinated containment and mitigation efforts with affected public institutions to ensure operational continuity and the protection of sensitive information.

Cybersecurity incidents such as hacking, phishing, ransomware and data theft could compromise information across essential sectors including finance, healthcare telecommunications, and public administration. Disruptions to critical infrastructure or essential services could generate direct economic impacts, reduce productivity, strain institutional capacities and undermine confidence in the State's ability to safeguard information.

In response to these persistent threats, Ecuador has strengthened its cybersecurity capabilities through a series of institutional, regulatory and technical measures. In 2021, the Government adopted the National Cybersecurity Policy 2021–2023, followed in 2022 by the National Cybersecurity Strategy 2022–2025, establishing a nationwide framework for cyber risk prevention, detection and incident response. In September 2024, Ecuador recorded a significant improvement in the Global Cybersecurity Index 2023–2024, rising from a score of 26.3 in 2020 to 87.18 out of 100, placing the country at Level 2 regionally, reflecting notable progress in governance, capacity development and cyber resilience.

Since October 2024, Ecuador has also become the 12th member of the LAC4 Cyber Competence Center, implementing the "Cyber Hygiene e-Learning" platform across more than 70 institutions and training over 10,000 public officials. Additionally, reforms introduced through Executive Decree to the Organic Law on Digital and Audiovisual

Transformation established the National CSIRT and formalized the National Cybersecurity Committee (CONACI) as the governing body for cybersecurity coordination.

Ecuador has also initiated the implementation of the National CSIRT – Phase I, covering institutional, legal, operational and technical components, with execution planned through January 2026. The continued strengthening of the CSIRT seeks to enhance the country's capacity to prevent, detect, manage and respond to cybersecurity incidents.

Despite these advances, cyber threats continue to evolve in sophistication and scale, and there can be no assurance that the Republic will be able to prevent or effectively respond to future cybersecurity incidents. Any such incidents could adversely affect public services, economic activity, investor confidence and public trust.

Certain information set out herein are forecasts and may not accurately reflect the future performance of the Ecuadorian economy.

The section of this Offering Circular titled "*IMF's Extended Fund Facility and Rapid Financing Instrument – IMF Forecasts*" includes certain statistical information, forecasts and projections regarding Ecuador's economy, fiscal position and debt that have been extracted from reports and publications prepared by the staff of the IMF ("IMF Forecasts"). Such IMF Forecasts reflect the views and assumptions of the IMF staff at the time such IMF Forecasts were prepared and were not prepared by the Republic. The IMF Forecasts are inherently forward-looking and are subject to significant uncertainties, including assumptions regarding global economic conditions, commodity prices, fiscal and monetary policy developments, and other external and domestic factors that are beyond the control of the Republic. Actual economic performance may be materially different from the IMF Forecasts and no assurance can be given that the IMF Forecasts will be achieved or that the economic and fiscal conditions described in such materials will materialize.

The IMF Forecasts replicated herein are derived from publicly available sources and the Republic assumes no responsibility for their accuracy, completeness or the methodologies and assumptions used to prepare them. Investors should not rely on IMF Forecasts when evaluating, or making any investment decision in respect of, the Republic or the Notes.Risk

Factors Relating to the Notes.

There may be no active trading market for the Notes, or the trading market for the Notes may be volatile and may be adversely affected by many factors.

The Notes will not have any established trading market when issued, and there can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and the market or trading price and liquidity of the Notes may be adversely affected. Even if a trading market for the Notes develops, the Notes may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, and the financial condition of Ecuador. Although application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange, and to have the Notes admitted to trading on the Euro MTF Market, there can be no assurance that such application will be accepted or that an active trading market will develop. Illiquidity may have a material adverse effect on the market value of the Notes.

The price at which the Notes will trade in the secondary market is uncertain.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange, and to have the Notes admitted to trading on the Euro MTF Market. No assurance can be given as to the liquidity of the trading market for the Notes. The price at which the Notes will trade in the secondary market is uncertain.

The Notes contain provisions that allow the payment terms to be amended without the consent of all holders.

The Notes contain provisions, commonly known as "collective action clauses," regarding acceleration of the applicable series of Notes and voting on future amendments, modifications and waivers to the terms and conditions of such

Notes. Under these provisions, which are described in the sections entitled "*Description of the Notes—Events of Default*" and "*Description of the Notes—Modifications—Collective Action*" in this Offering Circular, Ecuador may: (a) amend the payment provisions of the Notes and certain other reserved matters with the consent of the holders of 75% of the aggregate amount of the outstanding Notes and other non-reserved matters with the consent of the holders of 66 ⅔% of the aggregate amount of the outstanding Notes; (b) make reserved matter modifications affecting two or more series of debt securities with the consent of (x) holders of at least 66⅔% of the aggregate principal amount of the outstanding debt securities of all series that would be affected by that reserved matter modification (taken in aggregate) and (y) holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each affected series (taken individually); or (c) make reserved matter modifications affecting two or more series of debt securities with the consent of holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series (taken in aggregate), *provided* that the Uniformly Applicable condition is satisfied.

Certain federal court decisions in the United States create uncertainty regarding the meaning of ranking provisions and could potentially reduce or hinder the ability of sovereign issuers to restructure their public sector debt.

In litigation in federal courts in New York captioned NML Capital, Ltd. v. Republic of Argentina, the U.S. Court of Appeals for the Second Circuit ruled on August 23, 2013 that the ranking clause (which included ratable payment language) in certain defaulted notes issued by Argentina, prevents Argentina from making payments in respect of new performing notes that it issued in exchange for the defaulted notes in a restructuring in which a certain minority of holders elected not to participate, unless it makes *pro rata* payments in respect of the defaulted notes that rank *pari passu* with new notes. The defaulted notes in this case did not contain the "collective action clauses" referred to in the preceding risk factor. While the U.S. Court of Appeals for the Second Circuit's decision was narrowly tailored to the facts of the case, including the conduct of Argentina and the specific wording of the *pari passu* clause in the defaulted notes, the implication from this case is that it may be more difficult for sovereign debtors to restructure their debts.

On February 18, 2014, the Republic of Argentina filed a petition in the U.S. Supreme Court seeking review of the Second Circuit's August 2013 ruling. On June 16, 2014, the U.S. Supreme Court denied the Republic of Argentina's petition for review, thereby letting stand the Second Circuit's August 2013 ruling. On July 22, 2014, the U.S. District Court for the Southern District of New York enforced the ruling and barred the international trustee from making a U.S.$539 million payment to bondholders of the new performing notes that Argentina issued in exchange for the defaulted notes. On the same date, the U.S. District Court ordered Argentina to undergo continuous mediation and settlement talks with holders of the defaulted notes.

On June 16, 2014, the U.S. Supreme Court issued an opinion in a related case, ruling that the Republic of Argentina is not immune from complying with a judgment creditor's discovery demands seeking information about its assets outside the United States. On August 11, 2014, the U.S. District Court for Nevada granted NML Capital, Ltd's motion to compel discovery of information regarding Argentine assets in the United States.

On February 25, 2015, the U.S. District Court for the Southern District of New York ordered Deutsche Bank and JPMorgan Chase and Co. to deliver the documents relevant to Argentina's planned new issuance of dollar-denominated debt to the court and NML Capital, Ltd.

On December 10, 2015, Mauricio Macri became the new president of Argentina. Under his administration, Argentina negotiated and reached settlements with a group of holdout creditors for U.S.$1.35 billion on February 2, 2016, and a group of six other holdout creditors for U.S.$1.1 billion on February 18, 2016. On February 19, 2016, the U.S. District Court lifted its ban on payments to creditors on the condition that Argentina repeal two laws enacted for the purpose of blocking agreements with holdout creditors and agree to pay remaining holdouts by a certain date. Argentina's congress repealed the two laws on March 31, 2016. The U.S. Court of Appeals for the Second Circuit voted to confirm the lifting of the ban on April 13, 2016. Argentina proceeded with a sale of U.S.$16.5 billion in sovereign bonds on April 19, 2016.

On December 22, 2016, the U.S. District Court for the Southern District of New York issued an opinion dismissing claims by certain institutional investors that had not participated in the February 2016 settlements, rejecting their claims based upon the breach of the pari passu clause and any claims that accrued outside of the six-year statute of limitations. In this new decision, the U.S. District Court held that Argentina's payments to creditors who participated in the settlement were not a violation of the rights of the non-settling investors. The U.S. District Court also found that even if the pari passu clause had

been breached, monetary damages would be barred as duplicative of the damages from failure to pay, and an injunction would be granted only in extraordinary circumstances. The December 22, 2016 decision by the U.S. District Court appears to limit the application of the prior rulings in the litigation relating to the defaulted notes, although it is difficult to predict what impact, if any, the December 22, 2016 decision will have on sovereign issuers such as Ecuador.

Despite the above developments and settlement agreements between the Republic of Argentina and its creditors, Ecuador cannot predict what impact, if any, the above U.S. court rulings will have on sovereign issuers such as Ecuador.

The ability of holders to transfer Notes in the United States and certain other jurisdictions will be limited.

The Notes have not been and will not be registered under the Securities Act and, therefore, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws. Offers and sales of the Notes may also be subject to transfer restrictions in other jurisdictions. Investors should consult their financial or legal advisors regarding the applicable transfer restrictions relating to the Notes.

Sovereign credit ratings may not reflect all risks of investment in the Notes.

Sovereign credit ratings are an assessment by rating agencies of Ecuador's ability to pay its debts when due. Consequently, real or anticipated changes in Ecuador's sovereign credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

Recent political and social unrest in Latin America may affect the value and the trading market of the Notes.

Certain Latin American economies have historically had periods and cycles of political instability and social unrest. During October and November 2019, Bolivia, Chile and Ecuador experienced protests, violence and social upheaval. Such instability and social unrest may result from numerous factors such as continued high level of income inequality, high unemployment and a generalized lack of confidence in political and judicial institutions. These structural factors are complex and have proven to be difficult to overcome. Accordingly, there can be no assurance that such instability and social unrest will not continue in the future and even if the current cycle subsides, that the cycles of instability and social unrest will not recur in the future. Such continued unrest or recurrence in the future could have a material adverse effect on the trading market of the Notes and the value of the Notes.

Ecuador may issue additional notes that are considered as "contingent liabilities" under Ecuadorian law.

Ecuador has previously entered into repurchase transactions and a bond derivative transaction, in connection with which it issued notes that are considered contingent liabilities under Ecuadorian law. In each case, such notes were fully fungible with the relevant series of outstanding notes of Ecuador. For more information, see "*Public Debt—GSI Repo Transaction*," "*Public Debt-CS Repo Transaction*" and "*Public Debt-GSI Loan Facility*." The Notes do not contain any limitation on the ability of Ecuador to issue additional debt. Accordingly, Ecuador may issue additional notes that are considered as "contingent liabilities" for the purpose of substituting such additional notes for the notes that were sold by Ecuador under the GSI Repo Transaction or the CS Repo Transaction, or for the purpose of selling such additional notes under new similar transactions. If Ecuador were to issue such additional notes for any such purpose, then the outstanding principal amount of any relevant series of outstanding notes of Ecuador could increase. In addition, the holders of any relevant series of outstanding notes could therefore find that a significant number of the outstanding notes for that series are owned by the purchaser of such additional notes under the relevant transaction.

The ratings of the Notes may be lowered or withdrawn for any reason.

Ecuador is rated B- by S&P and B- by Fitch. The credit ratings of the Notes may not reflect the potential impact of all risks relating to the value of the Notes. In addition, the credit ratings of the Notes may change after issuance. Such ratings are limited in scope and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. Real or anticipated changes in the Issuer's credit ratings or the

credit ratings of the Notes will generally affect the market value of the Notes. Thus, the price of the Notes in the secondary market that may develop may be considerably less than the price paid for by investors in the Notes.

USE OF PROCEEDS

The net proceeds from the sale of the Notes will be approximately U.S.$3.98 billion, after deducting initial purchasers' discount and estimated expenses payable by the Republic. The Republic will use the proceeds of the Notes in accordance with the limitations of the Public Planning and Finance Code. Accordingly, the Republic intends to use a portion of the proceeds from the offering of the Notes: (i) to purchase the Target Notes tendered pursuant to the Tender Offer (and pay related expenses thereunder) and (ii) the balance of such proceeds for general government purposes. The balance of the purchase price for the Target Notes purchased pursuant to the Tender Offer will come from general revenues available to the Republic.

THE REPUBLIC OF ECUADOR

Territory, Population and Society

Ecuador is one of the smallest countries in South America, covering an area of approximately 98,985 square miles (256,370 km2). Located on the north-western coast of the continent, it shares a 950-mile border with Peru to the south and the east, a 373-mile border with Colombia to the north, and a 1,452-mile coastline on the Pacific Ocean to the west. Ecuador encompasses a wide range of geographic areas and climates, including the Pacific coastal plains, the Sierra (consisting of the Andean highland region), the Oriente (characterized by the Amazonian tropical rain forest) and the Galápagos Islands region located in the Pacific Ocean approximately 600 miles from the coast.

The Republic is traversed by the equator and lies entirely in the north and south tropical zones. Ecuador's regional climates vary depending on altitude. The climate is tropical in the Pacific coastal plains and the Oriente, predominantly temperate in the Sierra, and maritime in the Galápagos Islands. Ecuador has several active volcanoes, some of which have shown increased activity in the past several years.

On October 26, 1998, Ecuador and Peru signed a comprehensive peace agreement that ended a long-standing territorial dispute concerning territory in the Oriente region. Although the territorial conflict spanned more than a century, the treaty ended multiple hostile encounters between the two governments over the course of the previous four years. As a result of this treaty, the two countries presented joint plans for the development of infrastructure and commerce in the border region.

Based on INEC's projections for 2025, the total population of Ecuador was estimated at approximately 18.1 million. Approximately 53.3% of the population live in the Pacific coastal plains (comprising the provinces of Esmeraldas, Manabí, Guayas, Los Ríos, El Oro, Santo Domingo de los Tsáchilas and Santa Elena), 41.0% live in the Andean highlands (comprising the provinces of Carchi, Imbabura, Pichincha, Cotopaxi, Tungurahua, Chimborazo, Bolívar, Cañar, Azuay and Loja), 5.5% in the Oriente (comprising the provinces of Sucumbíos, Napo, Orellana, Pastaza, Morona Santiago and Zamora-Chinchipe) and 0.2% in the Galápagos Islands. As of 2022, approximately 63.1% of the population lives in urban areas. Quito, Ecuador's capital, is Ecuador's second largest city with a projected 2.8 million inhabitants in 2024 and is located in the highlands at 2,850 meters above sea level. Guayaquil, which is located on the east coast, is the largest city in Ecuador with a projected population in 2024 of 2.91 million. Spanish is the official language in Ecuador, while Quechua and Shuar are considered official languages for intercultural relations.

Historically, Ecuador has been a Catholic country and while Ecuador remains predominantly Catholic, evangelical Christianity has become increasingly popular.

The following table sets forth certain demographic characteristics for Ecuador for the years specified: The following chart sets forth certain demographic characteristics for Ecuador in the time period specified:

Demographic Characteristics

	2020[(1)]	2021[(1)]	2022[(2)]	2023[(1)]	2024[(1)]	2025[(1)]
Total population (*million*)	17.5	17.6	17.7	17.8	18.0	18.1
Female (%)	50.2%	50.3%	50.3%	50.4%	50.4%	50.4%
Male (%)	49.8%	49.7%	49.7%	49.6%	49.6%	49.6%
Urban (%)	64.9%	64.1%	63.1%	n/a	n/a	n/a
Rural (%)	36.1%	35.9%	36.9%	n/a	n/a	n/a
Functional age groups (%)						
Child (0-14)	27.1%	26.7%	26.3%	25.7%	25.2%	24.6%
Adult (15-64)	65.4%	65.7%	66.0%	66.3%	66.6%	66.9%
Elderly (65+)	7.5%	7.6%	7.8%	8.0%	8.2%	8.5%
Demographic Indicators						
Average annual growth (*%*)	1.0%	0.5%	0.6%	0.7%	0.7%	0.8%
Birth rate (*per thousand*)	16.4%	15.8%	15.3%	15.0%	14.6%	14.4%
Infant mortality rate (*per 1,000 live births*)[(3)]	5.4	6.1	6.7	5.9	5.4	n/a
Fertility rate (*per female*)	2.0	1.9	1.9	1.8	1.8	1.8
Average Life Expectancy (*years*)						

Source: Based on data from INEC. Data of Average life expectancy, infant mortality rate, fertility rate and birth rate from Databank World Bank.

(1) Based on INEC's projections available at: www.ecuadorencfras.gob.ec, last visited on December 12, 2025.

(2) Based on the results of the 2022 census, available at www.censoecuador.gob.ec, last visited on December 12, 2025.

(3) Based on Registro Estadístico de Defunciones Generales, available at www.censoecuador.gob.ec, last visited on December 12, 2025.

The following table sets forth certain comparative information for Ecuador relative to certain countries in South America, Central America and the United States:

Selected Comparative Social Statistics

	Ecuador	Bolivia	Paraguay	Honduras	Guatemala	Costa Rica	United States
Average life expectancy (*years*) [(1)]	74.9	72.5	78.8	73.1	73.5	80.3	80.9
Adult literacy rate (*%*) [(2)]	94%	93%	95%	89%	84%	98%	n/a
Mean years of schooling (*years*) [(3)]	9.97	9.83	8.86	7.09	5. 85	8.8	13.91
Population below poverty line (*%*) [(4)] ..	25.2%	39%	24.7%	48.0%	59.3%	25.5%	11.5%

Source: Data based on The Central Intelligence Agency World Factbook, Explore All Countries (https://www.cia.gov/the-world-factbook/countries/) and UNESCO data, U.S. Stat, Education (http://data.uis.unesco.org), as indicated.

(1) Based on data from The Central Intelligence Agency World Factbook (estimation for 2024).

(2) Based on data from The World Bank (last accessed online on September 25, 2024). Latest available data for Ecuador and Guatemala are from 2022; Costa Rica, 2021, Bolivia and Paraguay, 2020; Honduras, 2019. Based on data from The National Center for Education Statistics (last accessed online on September 25, 2024) for the United States from 2019.

(3) Based on data from UNESCO (last accessed online on September 25, 2024). Latest available data for Ecuador and the United States is from 2022; Bolivia, Paraguay, Costa Rica, 2020; Honduras and Guatemala, 2019.

(4) Based on data from The Central Intelligence Agency World Factbook. Latest available data for Costa Rica is from 2022; Ecuador and Paraguay, 2022; Bolivia, 2020; Honduras, 2019; Guatemala, 2014; United States, 2020.

Form of Government

Ecuador is a republic, with powers divided among five branches of the Government: the executive, the legislative, the judicial, the transparency and social control, and the electoral branches. Under the 2008 Constitution, the President, Vice President, and members of the National Assembly serve concurrent four-year terms. Presidents and legislators may be re-elected, with presidents limited to two full terms in office; however, President Noboa's first period in office -when he completed the remainder of President Lasso's term- was treated as completing a partial term; his subsequent election in 2025 marks the beginning of his first full constitutional term.

The 2008 Constitution establishes a single-chamber National Assembly elected through direct popular vote for a four-year period. The National Assembly has 137 representatives, of which 15 are elected at the national level, two are elected per province, one provincial representative is elected for every 200,000 inhabitants above the 150,000 per-province threshold, and six representatives are elected for Ecuadorians living abroad.

The President is the head of Government and head of state, and is elected by direct popular vote for a four-year term. Presidential duties include the enforcement of the Constitution, the establishment of economic, trade and foreign policy, and the enforcement of domestic law and order. The President is also commander-in-chief of the armed forces and appoints ministers and heads the Government's cabinet. Pursuant to Article 149 of the 2008 Constitution, the Vice President performs all functions assigned to the post by the President. Former President Correa came into office in January 2007 under the previous Constitution, was re-elected in a general election held in February 2013, and finished his second term under the 2008 Constitution on May 23, 2017. Former President Moreno won the 2017 presidential election and assumed the presidency of Ecuador on May 24, 2017 for a four-year term. In 2021, former President Lasso won the 2021 presidential election and assumed the presidency of Ecuador on May 24, 2021 for a four-year term.

Beyond the structure of the national branches of Government, Ecuador's constitutional framework also establishes the organization of its provincial and municipal authorities. Ecuador is administratively divided into 24 provinces and 222 municipalities. Each province is governed by a prefect who is popularly elected. The Government also designates a governor for each province that coordinates and administers the initiatives of the Government, while mayors, who are elected by popular vote, govern municipalities. A municipal council is responsible for the governance of each municipality. All provincial and municipal officials are popularly elected for four-year terms. Provincial and municipal elections were last held on February 5, 2023.

Following these constitutional provisions governing executive authority, the relationship between the Presidency and the National Assembly became a focal point of national attention in 2023. In early 2023, opposition legislators initiated impeachment proceedings against then-President Guillermo Lasso on allegations of embezzlement related to a 2020 contract involving a state-owned oil transport company. Although the contract pre-dated his administration, the National Assembly alleged that former President Lasso permitted its continuation despite reported irregularities. On March 29, 2023, the

Constitutional Court authorized the impeachment process to proceed on the embezzlement charge alone. Former President Lasso denied the accusations.

On May 17, 2023, facing an imminent impeachment vote, former President Lasso invoked Article 148 of the Constitution—known as the muerte cruzada (mutual death) provision—to dissolve the National Assembly and call for early presidential and legislative elections. Under Article 148, the President may dissolve the legislature under specified constitutional conditions and must thereafter call new general elections within 90 days, during which the President may issue urgent economic decrees subject to Constitutional Court review.

Snap presidential elections were held in 2023. Daniel Noboa won the second-round vote on October 15, 2023, defeating Luisa González of the Citizen Revolution Movement, following a campaign marked by heightened security concerns, including the assassination of presidential candidate Fernando Villavicencio on August 9, 2023. President Noboa took office on November 25, 2023, to complete the remainder of former President Lasso's term, and was later selected as his political movement's candidate for the February 2025 general elections. His principal opponent was again Luisa González. Ecuador's two-round electoral system requires either an absolute majority or at least 40% of valid votes with a 10-point margin to avoid a runoff.

The period also saw several changes in the Vice Presidency in prior administrations, reflecting political and judicial developments. As provided under Article 149 of the Constitution, the Vice President performs the functions assigned by the President. During the 2017–2021 period, successive Vice Presidents left office following judicial proceedings or political decisions, and new Vice Presidents were appointed in accordance with constitutional procedures. Following the 2023 snap elections, Verónica Abad Rojas served as Vice President alongside President Noboa. After the conclusion of that constitutional period, and following the 2025 general elections, María José Pinto assumed office as Vice President for the 2025–2029 term.

Legislative elections held concurrently with the first round of the 2025 presidential contest resulted in an expanded 151-seat National Assembly. The ADN alliance and the Citizen Revolution–RETO alliance emerged as the two largest blocs with 67 and 66 seats, respectively, with the remainder distributed among smaller parties. Although no bloc obtained an outright majority, the results reflected greater consolidation relative to prior legislatures. On May 14, Niels Olsen of the ADN alliance was elected President of the National Assembly. The resulting legislative configuration has been viewed as providing enhanced opportunities for structured negotiation and for advancing the Government's policy agenda focused on security, fiscal stabilization and institutional modernization.

The following table shows the composition of the National Assembly as of the date of this Offering Circular:

Composition of the National Assembly Political Party or Movement	**Number of Members**
Acción Democrática Nacional	67
Revolución Ciudadana	66
Pachakutik	9
Partido Social Cristiano	4
Movimientos pronvinciales	2
Others	3
Total	**151**

Source: Data based on National Assembly, available at: https://www.asambleanacional.gob.ec/es/pleno-asambleistas.

The judicial system of Ecuador consists of the National Court of Justice, Cortes Provinciales de Justicia ("Provincial Courts of Justice") and Tribunales Unidades Judiciales ("First Instance Courts"). The National Court of Justice is composed of 21 judges appointed by the Consejo de la Judicatura ("Judiciary Council"), which is in charge of regulating, administering and auditing the judicial branch. The Judiciary Council is comprised of nine standing members with their respective alternates, who perform their duties for a six-year term of office and cannot be re- elected. The designation of the standing members of the Judiciary Council and their alternates takes place by a competitive merit-based examination process, subject to citizen oversight.

Issues relating to the 2008 Constitution, including the modification or amendment thereof, are reserved to the Constitutional Court. The Constitutional Court is composed of nine members who are selected by a commission composed of eight members appointed from the various branches of government. Each member of the Constitutional Court is appointed to a nine-year term. Every three years there may be a partial renewal of the justices. The justices may decide not to re-elect their colleagues at the conclusion of their nine-year term. In February 2022, the Constitutional Court replaced three justices, who

were selected for rotation by drawing lots. The three new justices took office in February 2022. In September 2024, the Constitutional Court began the process to select three new members by February 2025. The 2008 Constitution recognizes the possibility for indigenous communities to exercise their judicial authority in accordance with their traditions and their own sets of rules. The exercise of this authority must comply, and must not conflict with, the rights set forth in the 2008 Constitution and international treaties ratified by the Republic.

The 2008 Constitution also creates two additional branches of government. *La Función de Transparencia y Control Social* (Transparency and Social Control Branch) is intended to serve as the auditor of the Government and of private entities that contribute to the Republic's general welfare. It is comprised of the Office of the Comptroller General, the Counsel of Citizen Participation and Social Control, various superintendent organizations including the Superintendencia de Bancos ("Superintendent of Banks"), and the Defensoría del Pueblo (the "Public Defender").

The Counsel of Citizen Participation and Social Control appoints the chief executive of each superintendent organization, the Office of the Comptroller General, the Public Defender and the *Procurador General del Estado* ("Attorney General"). It is also the entity principally responsible for corruption investigations and establishing citizens' committees for public consultation prior to the enactment of laws according to the 2008 Constitution. The purpose of these citizens' committees is to increase citizen participation and involvement in the democratic process and create an informed population who perform an active role in the enactment of laws.

The purpose of the *Función Electoral* (the "Electoral Branch") is to provide oversight for the Republic's political parties and elections. The Electoral Branch is comprised of the National Electoral Council and the Electoral Dispute Settlement Court. The National Electoral Council organizes and oversees elections to ensure transparency and compliance with election law, supervises the activities of political parties and establishes a civil registry. The Electoral Dispute Settlement Court hears and resolves, among others things, disputes regarding campaign finance violations and settles election results appeals.

Under the Law of the Office of the Comptroller General (the "Comptroller General Law"), the Office of the Comptroller General has the authority to examine the use of public resources by both public and private institutions. Following the amendment of the 2008 Constitution on December 21, 2015, the Office of the Comptroller General does not have the authority to audit the management of public resources under principles of effectiveness, efficiency and economy *(auditoria de gestión*), but it may still conduct a legality, financial and/or administrative audit. More specifically, according to Article 19 of the General Comptroller Law, the Office of the Comptroller General has the authority to carry out special audits to verify limited aspects of governmental activities under these parameters.

In July 2017, the Office of the *Comptroller* General headed by Dr. Pablo Celi announced its intention pursuant to Acuerdo 024-CG-2017 to conduct a special audit on the legality, sources and uses of all the internal and external debt of the Republic incurred between January 2012 and May 2017, as authorized by Ecuadorian law to examine acts of public entities. For more information on this audit, see "*Public Debt—Review and Audit by the Office of the Comptroller General*."

The audit report, including its findings, conclusions and recommendations, was approved on April 6, 2018. The determination of the scope, methodology and procedures applicable to the audit of public debt falls exclusively within the constitutional and legal authority of the Office of the Comptroller General, acting as the Republic's external control body. In this context, the Comptroller General is the sole entity empowered to define, update or maintain the audit methodologies applied to reviews of the legality, origin and use of public debt resources.

From the perspective of the Executive and in particular the Ministry of Economy and Finance, no special audit procedures regarding public debt have been established or modified, nor has the Executive intervened in the definition of audit methodologies, which are governed exclusively by the rules and directives issued by the Office of the Comptroller General. Executive Branch entities are limited to responding to information requests and complying with the control actions ordered by the Comptroller General in accordance with the applicable legal framework.

With respect to related investigations, in Criminal Case No. 17282-2022-02214, Luis Esteban Armijos Játiva, former legal advisor to the General Management of Petroecuador, together with other officials of Petroecuador and the Ministry of Economy and Finance, are being prosecuted for allegations of bribery. The proceedings arise from an investigation conducted by the Office of the Attorney General of Ecuador, which identified an alleged corruption scheme whereby public officials purportedly received improper economic benefits from intermediary companies involved in crude oil commercialization contracts in exchange for favoring Vitol Inc. and Gunvor. By order dated December 15, 2025, Judge Giovanny Freire Coloma scheduled the resumption of the Preliminary Hearing and Trial Preparation Hearing for January 8, 2026.

President Noboa's Current Administration

President Noboa was inaugurated for his first full constitutional term on May 24, 2025, following his victory in the April 2025 presidential runoff. His first full term has emphasized continuity in security, institutional strengthening and economic stabilization, while also outlining a broader medium-term reform agenda. Early cabinet appointments reflected an effort to consolidate government capacity, combining members of his prior team with new figures in areas prioritized for reform, including public administration, energy transition and social policy. The Administration has stated that its principal objectives for the 2025–2029 term include modernizing the State, enhancing security coordination, improving fiscal sustainability and strengthening Ecuador's resilience to environmental and economic shocks.

During the first months of the new term, President Noboa reaffirmed the Government's commitment to a sustained security strategy aimed at consolidating the gains of prior emergency measures. The Administration announced plans to expand inter-agency coordination between military and police forces under the security framework approved by voters in the April 2024 referendum, while introducing additional institutional mechanisms to address organized crime, prison management and border control. These measures are presented as part of a broader effort to stabilize conditions for economic activity and to restore public confidence in government institutions.

In June 2025, the Administration introduced a new package of administrative and regulatory reforms intended to improve the efficiency of public-sector operations, strengthen digital governance and streamline administrative procedures for investment. These initiatives seek to reinforce Ecuador's competitiveness and support long-term growth, while preserving the fiscal consolidation commitments undertaken as part of the 2024 EFF arrangement with the IMF. The Government also confirmed its intention to advance the implementation of multi-year infrastructure plans initiated during Noboa's prior term, particularly in the energy sector, where projects targeting increased generation capacity and diversification of the energy mix remain a priority.

In September 2025, the Republic took a further and more decisive step by reforming the diesel subsidy framework pursuant to Executive Decree 126, dated September 12, 2025, and published on September 15, 2025, amending the Codified Regulation on the Pricing of Hydrocarbon Derivatives. Notwithstanding the multiple sector-specific incentives accompanying the decree—including direct transfers to transport operators and agricultural producers, as well as complementary measures such as productive credits at subsidized interest rates—the implementation of these fuel subsidy reforms prompted social mobilization, including an immediate and indefinite nationwide strike announced on September 18, 2025 by the CONAIE (though participation was largely concentrated in a limited number of provinces). On October 22, 2025, the leadership of the organization announced the end of the strike and the withdrawal of its mobilized groups after 31 days, reflecting a de-escalation of social tensions following dialogue and adjustment to the measures.

In November 2025, President Noboa convened a national referendum and public consultation focusing primarily on institutional modernization, security coordination and judicial reforms. While several proposals received public support, including two key amendments on labor flexibility and foreign military cooperation, all of the proposals were ultimately rejected in the referendum.The Administration has stated that it remains committed to pursuing the underlying objectives of these measures through alternative policy instruments and legislative channels. Despite the rejection of these proposals, the referendum process has been framed by the Government as a step toward broader national dialogue on structural reforms.

As of December 2025, the Executive issued Executive Decree 272 relating to the Foreign Exchange Outflow Tax ("ISD") with the objective of establishing clear rules for its application during the 2026 fiscal year. The provisions defined, on the one hand, the applicable tax rate and, on the other, its treatment as income tax credit, specifying the conditions and limits for its use by taxpayers. The Government has framed these decisions as part of a broader fiscal-management strategy aimed at preserving public revenues while introducing certain elements or predictability for the productive sector. To that end, a fiscal-space ceiling of US$250 million was established, constituting a measure that also supports the Government's policy of reducing tax expenditures.

Also in December 2025, President Noboa issued a decree updating the regulation of the mining regime, with the purpose of improving institutional management of the sector and strengthening mechanisms for control, regulation and the granting of mining rights. The decree introduced procedural and operational adjustments intended to provide greater clarity and efficiency to the actions of the competent authorities, in a context marked by the need to attract responsible investment and reinforce legal certainty. The Government has presented this regulatory reform as a necessary step to help organize the sector and lay the groundwork for a more transparent and sustainable framework for missing development.

In parallel, the Administration has continued to advance fiscal and regulatory measures designed to improve the investment environment and underpin long-term stability. These include ongoing efforts to rationalize subsidies, modernize tax administration and strengthen public financial management. The Government has reiterated its commitment to protecting social spending while maintaining a credible fiscal trajectory under the IMF-supported program.

President Noboa's second administration has also emphasized environmental resilience and infrastructure reliability as central priorities following the energy and water shortages experienced in 2024. The Government has expanded fast-tracked investment authorizations for strategic energy projects, strengthened oversight of hydroelectric infrastructure and advanced initiatives intended to diversify Ecuador's energy sources, consistent with earlier legislation adopted to promote renewable energy development.

As part of its external policy agenda, the Administration has continued to engage with multilateral institutions and regional partners with the objective of enhancing economic cooperation, security coordination and access to development financing. These efforts are presented as complementary to domestic reforms aimed at restoring macroeconomic stability, improving governance and supporting conditions for sustainable economic recovery.

Overall, the second Noboa administration has articulated a platform centered on institutional strengthening, modernization of the Republic and sustained improvements in security and economic management. While certain reform proposals have required recalibration following the 2025 referendum results, the Administration maintains a stated commitment to pursuing structural reforms through legislative and administrative processes, with the objective of reinforcing Ecuador's long-term stability and development prospects.

President Noboa's First Administration

Former President Guillermo Lasso's administration (2021 – May 2023) was marked by a complex combination of economic reform efforts, political fragmentation, and escalating institutional tensions that ultimately shaped the circumstances under which President Noboa assumed office. Upon taking power in May 2021, former President Lasso inherited an economy weakened by the COVID-19 pandemic, rising public debt levels, and persistent social discontent, and he prioritized fiscal stabilization, transparency initiatives, and efforts to modernize Ecuador's regulatory and institutional frameworks. His Government enacted a number of legislative reforms, including measures to promote tax efficiency, formalize labor practices, strengthen anti-corruption oversight, and improve public financial management. The Lasso administration also advanced initiatives aimed at encouraging private investment—particularly in the energy and mining sectors—and undertook efforts to renegotiate trade agreements and reinforce Ecuador's integration into global markets.

However, throughout his tenure, former President Lasso faced growing political opposition in the National Assembly, limiting his ability to advance key reforms. This persistent legislative deadlock intensified beginning in 2022, when economic pressures—including rising inflation, global supply chain disruptions, and public dissatisfaction with subsidy adjustments—sparked a series of national protests led by social organizations and indigenous groups. In June 2022, these demonstrations resulted in significant economic disruption and increased political polarization. The National Assembly initiated multiple attempts to remove the President through constitutional mechanisms, deepening institutional strain.

In early 2023, tensions escalated further when the National Assembly launched impeachment proceedings against former President Lasso, centered on allegations of embezzlement relating to a 2020 contract involving a state-owned oil transport company. Although the alleged conduct predated his presidency, the proceedings advanced following authorization by the Constitutional Court in March 2023. Former President Lasso rejected the allegations, characterizing them as politically motivated, but the impeachment process moved toward a vote. On May 17, 2023, with the impeachment trial reaching a decisive stage, former President Lasso invoked Article 148 of the Constitution—known as the "*muerte cruzada*" (mutual dissolution) provision—dissolving the National Assembly and calling for early presidential and legislative elections. Under this constitutional mechanism, the President is permitted to govern by urgent economic decree during the interim period until the new elections are held, thereby creating an exceptional governing environment. The snap elections held later that year ultimately resulted in the election of President Daniel Noboa, who assumed office on November 25, 2023, to complete the remainder of former President Lasso's term.

Against this backdrop of political instability, institutional fragmentation, and heightened public concern over security and economic performance, Ecuador's governance environment underwent a significant transition. The accumulated challenges of the Lasso administration—including legislative gridlock, limited consensus for structural reforms, deepening

public dissatisfaction, and the growing influence of organized criminal groups—formed the immediate context for President Noboa's entry into office and informed many of the early policy priorities undertaken by his administration

In November 2023, President Noboa unveiled his first cabinet, just three days after taking office. President Noboa's cabinet consisted of 24 ministers, reflecting a focus on youth and gender balance. Only one cabinet appointment, the Minister of Tourism, carried over from the previous administration. The Minister of Economy and Finance was appointed shortly after the cabinet's formation. President Noboa's cabinet was reportedly primarily assembled to address urgent national issues, such as reducing criminal violence and boosting employment. Since assuming office in November 2023, President Noboa has implemented several key measures to address Ecuador's surge in violence. In January 2024, President Noboa declared that Ecuador was in an "internal armed conflict" against 22 organized crime groups involved in drug trafficking and illegal mining. As a response, he extended a state of emergency to six provinces through Presidential Decree 377, in January 2024. President Noboa also militarized prisons, aiming to restore order in facilities that had been largely controlled by criminal gangs. In May 2024, President Noboa declared a new security state of emergency in Ecuador granting the Government expanded powers to address crime. See "*Surge in Violence and Organized Crime*."

Before his inauguration, President Noboa traveled internationally in October and November 2023 to meet with officials from the World Bank, the International Monetary Fund, and the Organization of American States. These meetings, held in Washington, D.C., aimed to secure investment and financial assistance to tackle Ecuador's growing debt crisis.

The Noboa administration introduced the Organic Law for Economic Efficiency and Job Creation (Ley Orgánica de Eficiencia Económica y Generación de Empleo) in 2023, a comprehensive reform package that touches various aspects of the country's fiscal and economic landscape, and which was passed by the National Assembly in December 2023. The law aims to increase state revenue by approximately U.S.$832 million. See "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for Economic Efficiency and Job Creation*." In December 2023, the Government announced an increase in its monthly minimum wage to U.S.$460 for 2024. This represents a 4.5% *increase* from the monthly minimum wage of U.S.$450 for the previous year.

As of September 22, 2024, the country had experienced 71 days without significant rainfall, which severely impacted its hydroelectric power plants that supplied approximately 70% of the country's electricity. This prolonged drought led to record-low water levels in the Mazar basin, with the rate of water flowing into or within the basin, measured as a percentage of typical or expected flow rates, reaching historic lows of 0.5% in July, 0.04% in August and 0.06% in September. The drought also resulted in multiple wildfires, particularly around Quito, where approximately 2,000 firefighters, rescue workers and military personnel battled the blazes. In response to the crisis, the Government declared a red alert in 19 provinces on September 22, 2024, including Quito, and imposed planned power outages across 12 of Ecuador's 24 provinces. The blackouts, which were initially scheduled for eight hours nightly from Monday to Thursday, were extended to include a nine-hour suspension on Sundays from 8:00 a.m. to 5:00 p.m. local time. In addition, in September 2024, water rationing was implemented in 60 neighborhoods in Quito. The Government also deployed military personnel to key hydroelectric facilities, including the Mazar plant, to support operations and ensure protection. By late November 2024, the Government reported that the most acute phase of the crisis had subsided, although structural vulnerabilities persisted due to the country's continued dependence on hydroelectric sources. See "*Ecuador's Power Sector Crisis*."

In December 2023, President Noboa introduced the bill for the Organic Law of Energy Competitiveness (Ley Orgánica de Competitividad Energética) to the National Assembly. The bill was enacted into law on January 11, 2024, and is considered a crucial step in promoting sustainable energy practices in Ecuador. The law aims to address Ecuador's energy deficit and mitigate energy shortages by encouraging private sector participation and incentivizing the adoption of various renewable energy technologies, thereby diversifying the energy mix and reducing reliance on hydropower. See "*Ecuador's Power Sector Crisis.*"

In March and May 2024, President Noboa issued Decrees 190 and 259, respectively, providing for a temporary reduction in the general value-added tax ("VAT") rate to 8% for services defined as tourism activities under Article of the Tourism Law. This reduction applies to both natural persons and national or foreign companies throughout the country during the Easter week (March 29 to March 31, 2024) and during the national holiday for the Battle of Pichincha (May 24 to May 26, 2024). The objective of these measures was to boost domestic tourism, particularly in light of a broader strategy to support economic recovery in the post-pandemic period by stimulating travel and tourism spending during extended holidays. These decrees are a continuation of measures started in the prior administration, including Decree 644 issued on January 10, 2023 by former President Lasso. These temporary VAT reductions were implemented based on the authority granted to the President by Article 73 of the Organic Law of Internal Tax Regime, which allows for VAT rate modifications by executive decree.

On March 15, 2024, President Noboa issued Decree 198, increasing the general VAT rate from 13% to 15%, effective from April 1, 2024. This increase was introduced as part of a fiscal consolidation effort to improve government revenues and reduce the budget deficit. The increase was enacted in accordance with the Organic Law to Address Internal Armed Conflict and the Social and Economic Crisis, which entered into force on March 12, 2024. This law permanently set the VAT rate at 13% but granted the President the authority to temporarily increase it to 15%. According to the 2024 Tax Revenue Collection Report published by the Internal Revenue Service (Servicio de Rentas Internas), VAT registered the highest growth among administered taxes in 2024, increasing by 15.7%, driven primarily by the rate increase implemented from April 2024. In nominal terms, VAT collections from domestic transactions increased by 17.1% compared to 2023, rising from U.S.$6,307 million in 2023 to U.S.$7,384 million in 2024, while VAT collections on imports increased from U.S.$2,137 million in 2023 to U.S.$2,382 million in 2024. For 2025, the authorities project additional revenues from this measure of approximately U.S.$892 million.

On April 5, 2024, Ecuador's security forces stormed the Mexican embassy in Quito in an unprecedented diplomatic incident. The operation was aimed at arresting Jorge Glas, Ecuador's former Vice President under former Presidents Rafael Correa and Lenín Moreno, who had sought asylum in the embassy. Glas, convicted of receiving U.S.$18 million in bribes from the Brazilian firm Odebrecht, had been granted asylum by Mexican authorities earlier that day.

Special forces, equipped with a battering ram, surrounded the embassy located in Quito's financial district. The raid was widely condemned internationally as a clear violation of the Vienna Convention, which provides for the inviolability and diplomatic immunity of diplomatic missions. The incident led to a severe diplomatic crisis, with Mexico immediately severing diplomatic ties with Ecuador. Other Latin American countries, including Venezuela and Nicaragua, also cut ties with Ecuador, while many others, such as Brazil, Argentina, Chile and Colombia, sharply rebuked Ecuador for the action. The United States also condemned the violation of diplomatic norms, and the United Nations Secretary-General expressed alarm over the raid. On April 30, 2024, Mexico presented its case to the ICJ, arguing that Ecuador's actions in storming the embassy to arrest former Vice President Glas were illegal and violated international law. The following day, on May 1, Ecuador mounted its defense, accusing Mexico of "blatant interference" in its internal affairs and contended that Mexico had abused its diplomatic privileges by harboring former Vice President Glas, who was wanted on corruption charges. Ecuador argued that granting asylum to former Vice President Glas was unjustified and that Ecuador had the right to enforce its laws. The case has drawn international attention as it could potentially have significant implications for international diplomatic norms and practices. Following the initiation of proceedings before the ICJ, oral hearings on Mexico's request for provisional measures were held on April 30, 2024, during which Mexico presented its arguments in support of those measures, with Ecuador submitting its oral arguments on May 1, 2024. On May 23, 2024, the ICJ unanimously rejected Mexico's request for provisional measures. Several judges issued concurrent opinions setting out their reasoning in support of the decision. As of the date of this Offering Circular, the case is continuing on the merits, and Ecuador is scheduled to file its counter-memorial on January 22, 2026, in response to the memorial submitted by Mexico on April 22, 2025.

On April 21, 2024, President Noboa called for a constitutional referendum and public consultation. This referendum focused primarily on security measures, institutional reforms and economic reactivation, and consisted of 11 questions. Unlike the previous referendum, nine out of 11 proposals were approved by voters, with a reported turnout of 72%. However, two key economic proposals were rejected, consisting of a proposal to make certain labor laws more flexible, which was viewed as potentially undermining workers' rights, and a measure to allow Ecuador to return to international arbitration systems for commercial disputes. The people's rejection of this latter proposal was seen as a setback for President Noboa's economic agenda. The nine approved proposals primarily focused on enhancing security measures and institutional reforms. A key measure allows the country's military to support police operations in combating organized crime without declaring a state of emergency, effectively making permanent some of the emergency measures implemented in January 2024. Other approved measures include enabling extradition processes for Ecuadorians involved in transnational crimes, creating specialized constitutional courts and increasing penalties for serious offenses such as terrorism, drug trafficking, organized crime, murder, human trafficking and money laundering. The referendum also approved measures to ensure that sentences for certain crimes must be served through imprisonment, without the possibility of work-release or day-release programs or sentence reductions based on good behavior. These security-focused proposals received strong support. The approval of these measures was seen as a significant victory for President Noboa, providing him with a mandate to implement his security agenda in response to Ecuador's escalating violence and organized crime challenges.

On April 25, 2024, the Development Bank of Latin America and CAF approved an U.S.$800 million short-term liquidity financing for Ecuador. This loan, granted under CAF's Extraordinary Liquidity Financing instrument, was designed to provide immediate financial support to Ecuador as it finalized negotiations for a larger U.S.$4 billion 48-month 2024 EFF with the IMF. The timing of CAF's approval coincided with the IMF's announcement of a staff- level agreement with Ecuador

on the same day. CAF's loan, made possible by its status as an authorized Special Drawing Rights holder, aimed to complement the IMF's support and assist Ecuador in addressing its economic challenges. On May 31, 2024, Ecuador secured the U.S.$4 billion 2024 EFF with the IMF, which aims to support Ecuador's economic policies under President Noboa's administration. Key elements include fiscal consolidation, expansion of social safety nets, financial sector oversight improvements and enhanced governance and transparency measures. The 2024 EFF provided for an immediate disbursement of U.S.$1 billion for budget support and is designed to help Ecuador address its fiscal challenges, increase dollar reserves, and implement crucial economic reforms. See "*Public Debt—IMF's Extended Fund Facility and Rapid Financing Instrument*."

On June 12, 2024, President Noboa issued Decree 302, reducing the Impuesto a los Consumos Especiales (Special Consumption Tax or "ICE") rate for firearms, sporting weapons and ammunition to 30%. This decision was made following the recommendation of the Ministry of National Defense, which cited the need to combat the illicit trafficking of arms while improving traceability and control measures. This reduction in tax is expected to enhance regulatory oversight by incentivizing lawful registration and discouraging black-market transactions.

In June 2024, the Government announced a plan to slash subsidies for low-octane gasoline. This resulted in an initial price increase of about U.S.$0.25 cents per gallon from the previous U.S.$2.47 per gallon, with a mechanism allowing for further increases of up to 5% per month to gradually match international prices. This new policy aimed to reduce spending on gasoline subsidies by U.S.$500 million annually. While diesel subsidies -which historically represented the bulk of Ecuador's approximately U.S.$3 billion annual fuel subsidy expenditure- remained unchanged as of September 2024, the following year the Government undertook additional reforms.. See "*President Noboa's Current Administration.*"

In July 2024, President Noboa issued Decree 325, which reduced the ISD to 0% for imports of certain fuels. Specifically, this reduction applies to imports of hydrocarbon derivatives, biofuels, liquefied petroleum gas ("LPG") and natural gas. This measure aims to lower costs for energy-related imports, supporting both the energy transition and the reduction of operating costs for industries reliant on imported fuels.

Former President Lasso Administration

In August 2021, the prior administration issued issued Decree 151, which contained the 'Action Plan for the Mining Sector'. The Action Plan sought to facilitate: (i) the achievement of efficient and environmentally and socially responsible mining, (ii) the determination of the local geological potential for domestic and foreign investment and (iii) the introduction of the best practices for the exploitation of such resources. However, Decree 151 was repealed after strikes led by the CONAIE in June 2022 following which the Government signed the Agreement for Peace. See "*The Ecuadorian Economy—Strategic sectors of the Economy—Mining*."

In November 2021, the prior administration issued the Electricity Sector Policies through Decree 238. Among other things, this Decree sought to promote the implementation of the necessary institutional and regulatory framework to guarantee the sustained increase of the installed capacity of electric power generation in Ecuador. It also ordered the call for public tenders for, among others, the concession of the 500 MW non-conventional renewables block ("500 ERNC"), the Northeastern Transmission System and the 400 MW Natural Gas Combined Cycle Block ("400 CCGN"). See further "*The Ecuadorian Economy—Electricity and Energy Infrastructure*."

Separately, and in pursuit of protecting Ecuador's marine ecosystem, the prior administration issued Decree 319 was issued by President Lasso in January 2022 instructing the designated National Environmental Authority to declare a new protected area within the exclusive economic insular zone adjacent to the existing Galápagos Marine Reserve, with the objectives of (i) protecting the marine ecosystem therein and its species and (ii) prioritizing the distribution area of migratory species. The new protected area is called the Hermandad Marine Reserve and forms part of Ecuador's National System of Protected Areas ("SNAP"). As part of the SNAP, the Hermandad Marine Reserve benefits from enhanced legislative protection.

The Hermandad Marine Reserve has an area of 60,000 square kilometers. Within this, and pursuant to Decree 319, an area of 30,000 square kilometers will be maintained in which no extractive activities will be allowed so that areas of critical oceanic ecosystems, migratory routes and feeding zones of threatened marine species are conserved. The remaining 30,000 square kilometers area will be designated as a responsible fishing zone.

As a result, in November 2021, within the framework of the twenty-sixth meeting of the parties to the United Nations Conference on Climate Change 2021 held in Glasgow, Scotland, Ecuador announced the creation of the Hermandad Marine

Reserve. A 'no-take zone' connecting Ecuador's waters with those of Costa Rica, in an area known as the Cocos-Galápagos Migravía, and Cocos Island, which is on the underwater mountain range of Cocos, was designated.

The protection of this migration route is intended to better protect migratory species such as sharks, turtles and manta rays. In addition, a 'no long line zone' has been designated in the northwest of the current Galápagos Marine Reserve to prevent long line fishing from entering into the marine reserves. Following the enactment of Decree 319, on March 14, 2022 the Minister of Environment, Water and Ecological Transition signed a ministerial agreement, ordering the creation of the Hermandad Marine Reserve and the designation of the Hermandad Marine Reserve as a marine reserve and protected area within the SNAP.

The Republic decided to enter into a debt conversion transaction, a so-called 'debt-for-nature' swap, to facilitate the following objectives: (i) strengthening the institutional framework to support sustainable finance and adequate natural resource management, (ii) improving the Republic's debt management capacity with a focus on environmental and financial sustainability and (iii) enhancing the management and conservation of the Hermandad Marine Reserve and the growth of the natural capital of the Galápagos Islands and their marine ecosystems. See "*Public Debt—External Debt.*"

In parallel with these environmental initiatives, on May 31, 2022, following 21 years of accumulated State's debt to the Instituto Ecuatoriano de la Seguridad Social (the "IESS") related to the financing of health benefits, the Ministry of Economy and Finance entered into an agreement with IESS to formally recognize outstanding obligations. This agreement inlcuded an initial disbursement of U.S.$140 million. See "*The Ecuadorian Economy—Other Sectors of the Economy—Social Security*."

The prior administration also introduced several anti-corruption and transparency initiatives and commenced investigations into several alleged cases of corruption against current or former public officials of State-owned companies. In May 2021, the prior administration enacted via Decree 4 a 'Code of Ethics' for high-level public officials, setting a higher standard of conduct for the Government, and also established a cabinet-level Secretary of Anticorruption Public Policy by Decree 412, elevating the position from Presidential Advisor. In July 2022, the prior administration presented the Estrategia Nacional Anticorrupción (National Anti-Corruption Strategy or "ENA") with the goal of generating policies and preventive actions against a wide range of corruption risks that threaten the rule of law and democracy. Furthermore, the prior administration sought via referendum to amend the 2008 Constitution to allow the extradition of Ecuadorians involved in transnational organized crime (referendum question 1) and ensure full independence of the Prosecutor General (referendum question 2), but on February 5, 2023, the majority of the electorate voted against all proposals in the referendum. In April 2023, the Law Amending the Organic Law for the Prevention, Detection and Eradication of the Crime of Asset Laundering and of Financing of Crime, expanding the reporting obligations of certain financial transactions, was enacted. See "*The Ecuadorian Economy—Anti-corruption measures in Ecuador*."

In June 2022, the prior administration issued Decree 457, which repealed Decree 135 and sought to optimize public spending. The prior administration also issued Decree 468 in June 2022, which specified that: (i) the President would not exercise the exceptional power provided in the 2008 Constitution that allows the President to request the extractive activity of non-renewable natural resources in protected areas, areas declared as intangible, in ancestral territories and archaeological zones in accordance with the law; (ii) the President had instructed the Ministry of Energy and Mines not to present or approve new projects for the extraction of non-renewable natural resources in protected areas, intangible zones, ancestral territories and archaeological zones; and (iii) the President had requested the development of the law relating to free and informed consultation with the indigenous communities in affected areas, prior to the execution of any new natural resource extraction projects. See "*The Ecuadorian Economy—Strategic sectors of the economy—Mining*."

In connection with transparency commitments under the agreement with the IMF (see "*Public Debt*"), the Government undertook to conduct an external audit of Petroecuador's financial statements for the fiscal years ended 2019, 2020 and 2021 by an independent international audit firm. Although the process, financed through a loan from the IADB, initially drew no bids from the major international firms invited to tender, Petroecuador subsequently entered into an agreement with Moore & Asociados Cía. Ltda. on January 23, 2024 to carry out the audit of the financial statements of Petroecuador and Petroamazonas. The audit reports for fiscal years 2019, 2020 and 2021 were delivered on November 11, 2024, January 5, 2025 and July 7, 2025, respectively, and each contained an abstention of opinion, which means that the auditor was unable to obtain sufficient information to determine whether the financial statements were reliable.

With respect to the audits of the financial statements for fiscal years 2022, 2023 and 2024, on December 3, 2025 the technical evaluation committee recommended that the procurement process be declared void due to bidders' failure to meet

the minimum requirements relating to key technical personnel, as expressly set forth in the Terms of Reference and the public consultancy tender documents. Petroecuador subsequently initiated the preparatory phase of a new procurement process on December 15, 2025, which, according to information provided by the Sub-Directorate of Finance, is expected to run through January 31, 2026.

The prior administration implemented targeted fuel-pricing measures for the shrimp sector. In December 2022, Executive Decree 614 established a differentiated regime under which shrimp farms with more than 30 productive hectares would have diesel and gasoline prices set individually based on market conditions (plus applicable taxes), removing regulated or subsidized pricing for that group, while also creating a "cuantía doméstica" modality for eligible end users under specified requirements. Subsequently, in March 2024, Executive Decree 215 repealed Executive Decree 614 and provided that diesel and gasoline supplied to the shrimp sector would be priced under the industrial segment. See "*The Ecuadorian Economy—Strategic Sectors of the Economy—Oil Sector*" and "*The Ecuadorian Economy—Other Sectors of the Economy—Fishing*."

In the area of investment policy, Ecuador's relationship with the International Centre for Settlement of Investment Disputes Convention (the "ICSID Convention") reflected earlier institutional decisions and subsequent policy shifts. In 2009, during the administration of the former President Correa, Ecuador withdrew from the ICSID Convention and terminated bilateral investment treaties to which it was a signatory. The ICSID was established in 1966, operates as part of the World Bank Group and is headquartered in Washington, D.C. ICSID's primary purpose is to provide facilities for arbitration and conciliation of investment disputes between states and foreign investors by offering a neutral, internationally recognized framework. ICSID aims to foster cross-border investment by mitigating risks associated with political and legal uncertainty. The ICSID Convention has been signed by 165 states, with 158 of them having ratified it as of 2024.

In withdrawing Ecuador from the ICSID Convention, former President Correa argued that it violated Article 422 of the 2008 Constitution, which prohibits "international treaties in which the State cedes sovereign jurisdiction to international arbitration bodies" and also claimed that the ICSID Convention led Ecuador to face millions of U.S. dollars in cases in international arbitration. Under the prior administration, Ecuador re-signed and ratified the ICSID Convention in 2021.

The prior administration also advanced several trade policy initiatives, including the conclusion of negotiations on a Strategic Economic Cooperation Agreement with South Korea. The agreement was signed on September 2, 2025, and provides for the elimination of 92.8% of Ecuador's tariffs on Korean goods and 96.4% of Korea's tariffs on Ecuadorian goods, together with expanded bilateral cooperation in the areas of technology, energy, infrastructure and supply-chain development. The agreement is pending ratification by the legislatures of both countries. In parallel, the Republic concluded negotiations on a free trade agreement with China in 2022, which was signed in May 2023 and entered into force in May 2024. See "*Balance of Payments and Foreign Trade—Foreign Trade*."

Response to COVID-19 Crisis

The global pandemic caused by COVID-19 severely impacted the health and welfare of the people of Ecuador. The first confirmed case of the virus in Ecuador was registered in February 2020. Ecuador was one of the hardest hit countries in the world in proportion to its total population, with 864,811 confirmed cases and 10,334 deaths from the virus as of July 2024. In addition to the health crisis, the pandemic led to an unprecedented external shock on the global economy, which in turn severely affected Ecuador's economy.

In March 2020, former President Moreno declared a State of Emergency, followed by a nationwide lockdown order (excluding essential services and activities), the closure of Ecuador's borders, and the declaration of a national curfew. In April 2020, the Government announced that despite these measures, the Republic's healthcare system was under severe pressure, lacking essential medical resources including medical equipment and supplies, testing kits, protective garments, and additional medical staff. In May 2020, former President Moreno ordered the extension of the State of Emergency for 30 days, which was further extended for an additional 60 days. In 2020, the sudden collapse of international oil prices, a virtual halt in tourism, and delays in shipping of exports of perishable goods such as flowers had a severe impact on the economy of Ecuador.

Further, because the Ecuadorian economy has a significant informal sector, the measures adopted by the Government to prevent the spread of COVID-19 significantly impeded activity in this sector. As a result, the percentage of the population falling into poverty increased in 2020 from 25% in December 2019 to 33% in December 2020. Since then, the poverty rate has decreased reaching pre-pandemic levels in December 2022 (25.2%), December 2023 (26.0%) and December 2024 (28.0%).

Recent Geopolitical Conflicts and Economic Impact

In February 2022, Russia launched a full-scale military attack on Ukraine. The subsequent war, which is still ongoing, significantly amplified existing geopolitical tensions among Russia, Ukraine, the North Atlantic Treaty Organization, the United States, the European Union and its member states, the United Kingdom and various other countries, and led to significant volatility and disruption in global trade and financial markets. Moreover, Russia's annexation in September 2022 of four regions of Ukraine (Donetsk, Luhansk, Zaporizhzhia and Kherson) further escalated these tensions. The war has generated concern regarding non-oil exports, including banana exports to Russia. However, during the first semester of 2022, Ecuador's total trade balance was only reduced by U.S.$30 million, despite the economic effects due to the war.

In 2023 and 2024, Ecuador's trade with Russia faced new challenges. In January 2024, Ecuador negotiated a military exchange with the United States, agreeing to transfer Soviet-era weapons to the United States in exchange for modern military equipment worth U.S.$200 million. This deal was primarily aimed at bolstering Ecuador's capabilities to combat organized crime. However, the agreement drew sharp criticism from Russia, which suspected that the weapons might ultimately be transferred to Ukraine for use against Russian forces. In retaliation, Russia imposed a partial ban on Ecuadorian banana imports in February 2024. This action had significant economic implications for Ecuador, as Russia accounted for approximately 20% of Ecuador's banana exports in 2023, with total trade in this fruit reaching U.S.$3,770.1 million that year. The Russian veto extended beyond bananas, with threats to restrict imports of Ecuadorian carnations as well. On February 23, 2024, the Government called off the planned arms exchange with the United States after learning that some of the weapons were intended to be sent to Ukraine. The Government stated that this decision was made to maintain its stance of neutrality in the ongoing conflict between Russia and Ukraine.

Furthermore, one of the main economic effects of the war was a shortage of fertilizers and grains, which led to an increase in international prices caused by the decrease in Russian and Ukrainian production from the international market. For Ecuador, this resulted in higher production costs for farmers. The government responded by seeking alternative suppliers and implementing programs to support domestic fertilizer production. In 2023, Ecuador signed agreements with Morocco and Bolivia to secure fertilizer supplies, helping to stabilize prices for agricultural inputs.

In the energy sector, the steady rise in oil and gas prices also affected the costs of fertilizers. In this context, Ecuador had to look for other agricultural supplies from different countries, such as the United States, China, Italy and Chile. The effect of the war on domestic prices has been largely contained by government subsidies on fuel and urea, as well as the appreciation of the U.S. dollar. However, this approach became unsustainable over time and in June 2024, the government announced a reduction in fuel subsidies, leading to an 11% increase in gasoline prices, which has sparked protests. This decision was part of a broader fiscal reform aimed at reducing Government spending and securing the U.S.$4 billion 2024 EFF with the IMF. The Government argues that the subsidy reduction is necessary to redirect funds to social programs and infrastructure development, but it has faced significant public opposition. See "*Public Debt—IMF's Extended Fund Facility and Rapid Financing Instrument*." Regarding oil exports, the increase in prices in international markets as a result of the war allowed greater inflows into the General State Budget from oil revenues compared to the initial budget in 2022. In 2023, oil revenues decreased with Ecuador's oil export earnings reaching U.S.$9.0 billion, a 13.9% decrease from 2022. As of September 2024, oil prices have stabilized at around U.S.$65.6 per barrel for Ecuador's Oriente crude, down from the peak of over U.S.$107 per barrel in June 2022, while still providing a steady income stream for the country.

The global economic landscape has continued to be shaped by the Federal Reserve's monetary policy. In April 2021, the Federal Open Market Committee (the "FOMC") announced that it would maintain its asset purchase program and hold interest rates near zero until at least 2023. Yet, high inflation prompted a shift in June 2022 when the Fed began an aggressive hiking cycle.By January 2023, the federal funds rate was 4.25% to 4.75% and further increases extended throughout 2023 and into mid-2024.

In September 2024, the Fed initiated its first rate-cutting cycle in four years, slicing rates by 50 bps to 4.75–5.00%, followed by a 25 bps reduction in November 2024 to 4.50–4.75%. In December 2024, it delivered a third consecutive 25 bps cut, bringing the range to 4.25–4.50%. However, the momentum slowed in early 2025: rates were held steady at 4.25–4.50% in January and again in March 2025 as policymakers awaited clearer signs on inflation and labor market trends.

Over the course of 2025, the Fed executed three additional rate cuts, cumulatively reducing rates by 75 bps—culminating in a December 2025 adjustment to a target range of 3.50–3.75%. As of January 2026, the federal funds rate stands at 3.75%, with policymakers signaling the potential for two more cuts later in the year, contingent on economic developments.For dollarized Ecuador, higher interest rates mean tighter financial conditions and higher amounts of external

public debt service contracted at a variable rate (around 40% of external public debt is contracted at a variable interest rate). Rising interest rates may cause capital outflows to advanced economies and U.S. dollar appreciation. This has put pressure on Ecuador's economy, with the Government implementing measures such as tax reforms and subsidy reductions to manage fiscal challenges. See "*The Ecuadorian Economy—Tax Reforms.*"

On October 7, 2023, Hamas launched a large-scale surprise attack on Israel from the Gaza Strip. The subsequent war, which is ongoing as of January 2026, has significantly amplified existing tensions between Israel, Palestine and various regional and global actors, including the United States, Iran, Egypt and other Middle Eastern countries. The conflict led to increased levels of violence, humanitarian crises and disruptions in regional stability.

A ceasefire between Israel and Hamas has been in place since October 2025 as part of a multi-phase peace plan brokered by the United States and other international partners. While the ceasefire has largely held and major fighting has stopped, sporadic clashes and targeted strikes continue, and the process has stalled on key issues such as humanitarian aid, the return of hostages' remains, and the next phase of Gaza's reconstruction and governance. The situation remains fragile, with international mediators working to move the process forward.

As of the date of this Offering Circular, despite intermittent ceasefire efforts, hostage exchanges and international mediation, the conflict continues with no clear resolution in sight. The war has had far-reaching consequences, including a severe humanitarian crisis in Gaza, increased global economic uncertainty and a reshaping of geopolitical alliances in the Middle East and beyond. While Ecuador has not been directly impacted, there have been indirect effects. The conflict has contributed to global economic uncertainty and volatility in oil prices, which can affect Ecuador's oil export revenues.

President Noboa's government was among the handful of Latin American countries that immediately supported Israel following the October 7th attack by Hamas. In May 2025, President Noboa visited Israel and pledged closer security and technological cooperation. Ecuador also abstained from a June 2025 UN General Assembly resolution calling for a ceasefire and a two-state solution, reflecting a shift toward a more neutral or pro-Western stance. Ecuador's support for Israel and alignment with United States foreign policy has helped Ecuador maintain positive relations with Western allies, traditionally allied with Israel, at a time when Ecuador has sought international support for its economic reforms.

In late 2024 and throughout 2025, Ecuador's external environment was further shaped by political developments in the United States, including the election of President Donald J. Trump in November 2024. The change in U.S. administration did not alter the fundamental trajectory of bilateral relations; rather, it created new opportunities for strategic alignment, particularly in areas related to security, counternarcotics cooperation and economic coordination. The Noboa Administration has emphasized the importance of maintaining strong ties with the United States, and early signals from the new U.S. administration have indicated continued willingness to support Ecuador's stabilization and reform efforts. This support includes ongoing cooperation programs in security and institutional strengthening, as well as sustained engagement with U.S. agencies involved in economic development, investment facilitation and technical assistance.

The election of President Trump has also reinforced Ecuador's position as a reliable partner for the United States in the region at a time of heightened geopolitical competition and evolving security concerns in the Western Hemisphere. Ecuador's continued alignment with U.S. priorities, particularly in combating transnational crime, improving border controls, and promoting rule-of-law institutions, has contributed to a constructive bilateral agenda. This cooperation is expected to remain an important pillar of Ecuador's external strategy, complementing its broader efforts to attract investment, secure multilateral financing and strengthen domestic institutional capacity.

The deepening of U.S.–Ecuador relations has provided the Noboa Administration with a favorable diplomatic platform to advance its internal reform program. U.S. support, both political and technical, has bolstered Ecuador's credibility with multilateral lenders and foreign investors, reinforcing confidence in the country's fiscal consolidation plans, energy-sector modernization initiatives and broader economic reforms. The Administration has highlighted the role of strong bilateral partnerships in helping Ecuador navigate external economic volatility, global security challenges and the continued pressures associated with organized crime. Taken together, the evolving geopolitical context and the renewed U.S.–Ecuador relationship have contributed to a more supportive external environment for the Government's medium-term reform agenda.

In January 2026, Venezuela experienced a major political transition following the removal and detention of Nicolás Maduro, who was transferred to U.S. custody. An interim government was subsequently installed in Caracas. These unprecedented events introduced significant uncertainty into the Latin American region, triggering immediate reactions in

financial markets, including a rally in Venezuelan sovereign and PDVSA bonds on expectations of a potential restructuring and normalization of Venezuela's external debt. While some observers view these developments as an opportunity for renewed economic engagement and regional stabilization, the long-term implications remain uncertain. The transition could lead to shifts in regional alliances, changes in trade and investment patterns, and spillover effects affecting Ecuador's external sector, fiscal position and investor sentiment. Ecuador continues to monitor the situation closely, recognizing that further instability in Venezuela could have direct and indirect effects on trade flows, migration and regional cooperation.

In particular, the prospect of increased Venezuelan oil exports—potentially under U.S. oversight—could place downward pressure on global oil prices, especially for heavy crude grades that compete directly with Ecuador's. Any sustained decline in oil prices or intensification of competition in key export markets, such as the U.S. Gulf Coast, could adversely affect Ecuador's export earnings, budgetary resources and overall economic outlook. Renewed investment in Venezuela's oil sector may also shift regional trade patterns and investor focus, heightening competition for capital within Latin America. Ecuador will continue to assess these evolving dynamics and their potential implications for the country's external sector and fiscal sustainability.

Taken together, these geopolitical developments—ranging from the war in Ukraine to Middle East instability, U.S. monetary policy shifts, the strengthening of U.S.–Ecuador relations and the political transition in Venezuela—have shaped a complex and rapidly evolving external environment. The Noboa administration has emphasized that maintaining strong international partnerships and continuing structural reforms are essential to mitigating external risks and supporting Ecuador's medium-term macroeconomic stability.

Surge in Violence and Organized Crime

Violence and organized crime in Ecuador has increased in recent years and remains an important challenge for the country; however, the Government has taken significant steps to address the situation, and recent data reflect early signs of stabilization. According to the Ecuadorian Organized Crime Observatory (Observatorio Ecuatoriano de Crimen Organizado or the "OECO"), intentional homicides in Ecuador increased between 2019 and 2023as criminal dynamics evolved in the region. By the end of 2023, Ecuador recorded 8,004 violent deaths, corresponding to a homicide rate of 47.3 per 100,000 inhabitants. By the end of 2023, 770 youths aged 0 to 19 were victims of homicide, and the country registered 17,882 intentional homicides since 2019. Certain regions, including Los Ríos, Guayas, Santa Elena and Bolívar experienced higher concentrations of violence during this period, partly due to the presence of key transport corridors and ilicit economies. Guayaquil, Durán and Samborondón account for 35.1% of homicides, with a rate of 89.1 per 100,000 inhabitants.

In the first semester of 2024, Ecuador reported 3,036 homicides, representing a 16.2% compared to the same period in 2023. Although, the overallrate remains elevated, the decrease reflects early effects of strengthened security measures implemented by the Government. The age group most affected by homicide shifted to those aged 20-24 years and homicides among adolescents aged 15-19 increased by 17% from the first semester of 2023. Approximatelly, 80% of homicides during this period were concentrated in three main planning zones, with Zone 8 (including Durán, Guayaquil and Samborondón) accounting for 35%. Los Ríos registered 48.0 homicides per 100,000 inhabitants while Camilo Ponce Enríquez, an area impacted by illegal mining activities recorded a higher localized rate.

Analysts attribute the rise in criminal activity in 2016-2017 to several converging factors inlcuding shifts in regional criminal structures following Colombia's 2016 peace , the movement of groups after the 2016 earthquake, and economic pressures associated with declining oil prices and later the COVID-19 pandemic. These conditions enabled criminal organizations to expand their operations and recruit vulnerable populations. Beginning in 2020, competition among criminal groups intensified, contributing to prison disturbances and certain high-profile violent events. By 2023, Ecuador's homicide rate had increased markedly compared to 2019. Violence during this period included isolated attacks on public figures and targeted actions linked to criminal disputes.

Ecuador's geographic location, extensive commercial infrastructure and dollarized economy have historically made it attractive to transnational trafficking organizations. The ports of Guayaquil, Manta, and Esmeraldas have become focal points for international narcotics trafficking routes. The criminal landscape in Ecuador includes local groups, regional actors from Colombia and Mexico, and certain European networks, alongside isolated instances of corruption within public institutions. The fragmentation of previously dominant criminal groups also contributed to temporary instability.The increase in organized crime has affected various sectors of Ecuadorian society. Businesses in major cities such as Quito have at times modified their operating hours, and extortion schemes have impacted commercial activity in some regions. In December 2023, law-enforcement authorities conducted "Metástasis," a major national operation that resulted in the detention of Wilman

Terán, then president of the Judiciary Council, and 28 others, uncovering connections between criminal networks and certain public officials. Additional cases, including the deaths of Brigitte García, mayor of San Vicente, in March 2024, and prosecutor Marcelo Vasconez in October 2024, underscored the risks associated with organized crime and the Government's ongoing efforts to strengthen institutional integrity. Since 2019, at least nine prosecutors have been killed in incidents linked to criminal violence, prompting further security measures for judicial personnel.Since assuming office on November 23, 2023, President Noboa has implemented several key measures to address Ecuador's surge in violence. The crisis began with the escape of José Adolfo Macías Villamar, alias "Fito," a notorious gang leader, from the Guayaquil regional prison, followed by the escape from prison soon thereafter of another notorious gang leader, Fabricio Colón Pico Suárez, alias "Capitán Pico." A series of subsequent incidents, including masked gunmen storming the state-owned TV station TC Television during a live broadcast, riots and mass prison escapes, and attacks on public institutions and the army, further increased tensions.

As a result, in January 2024, President Noboa declared a state of emergency in Ecuador based on grave internal commotion. In January 2024, President Noboa declared that Ecuador was in an "internal armed conflict" against 22 organized crime groups involved in drug trafficking and illegal mining and authorized the use of lethal force against the crime groups designated as "terrorist groups" and ordered the mobilization of armed forces and police throughout the country. The decree also limited citizens' rights to assemble and move freely, allowed authorities to enter homes without warrants, and militarized prisons, aiming to restore order in facilities that had been largely controlled by criminal gangs.

In February 2024, President Noboa ratified military cooperation agreements with the United States as part of the Government's broader strategy to combat organized crime and drug trafficking. The cooperation includes areas such as training, intelligence sharing, and equipment support. Building on this framework, cooperation has expanded through concrete interagency initiatives. In particular, the Government has advanced the GOPMAR/GOMAR interagency scheme, a joint maritime operations force in the Gulf of Guayaquil and the access channel to the Port of Guayaquil, composed of personnel from the Ecuadorian Navy Coast Guard Command and the National Police of Ecuador, with support from port authorities and private operators, and with technical cooperation from the United States through the Bureau of International Narcotics and Law Enforcement Affairs. This initiative has strengthened operational coordination through updated operational manuals, joint technical working groups, personnel selection and training, and the establishment of a roadmap for joint patrols and maritime interdiction operations.

The designation by the United States Department of State of the criminal groups *Los Choneros* and *Los Lobos* as terrorist organizations has further reinforced bilateral security cooperation by expanding mechanisms for intelligence sharing, financial sanctions and coordinated actions against transnational criminal networks. U.S. authorities are also reviewing additional assessments concerning other criminal organizations, which, if designated, would further enhance cooperation in counterterrorism and organized crime enforcement. Complementing these measures, in 2025 the Ministry of the Interior, the National Police and Homeland Security Investigations advanced the negotiation of a memorandum of understanding focused on information sharing related to transnational organized crime, which is currently under review by U.S. authorities. In addition, in 2025 the Republic and the United States entered into an agreement for the exchange of liaison officers, aimed at strengthening cooperation through joint risk assessments, information exchange and coordinated actions against terrorism, organized crime and other threats to public security.

In April 2024, President Noboa called for a constitutional referendum and public consultation. Public safety and the fight against crime were key focuses of the referendum. Nine out of 11 proposals were approved by voters, with a reported turnout of 72%. Former President Correa stated that his party would support the security reforms if they were implemented as approved in the referendum. A key approved measure allows the Republic's military to support police operations in combating organized crime without declaring a state of emergency, effectively making permanent some of the emergency measures implemented in January 2024. Other approved measures include enabling extradition processes for Ecuadorians involved in transnational crimes, creating specialized constitutional courts and increasing penalties for serious offenses such as terrorism, drug trafficking, organized crime, murder, human trafficking and money laundering. The referendum also approved measures to ensure that certain crimes must be served through imprisonment, without the possibility of semi-open regimes or sentence reductions based on good behavior. These security-focused proposals received strong support. The approval of these measures was seen as a significant victory for President Noboa, providing him with a mandate to implement his security agenda in response to Ecuador's escalating violence and organized crime challenges. See "*President Noboa's Current Administration*" and "*President Noboa's First Administration.*"

In April 2024, Ecuadorian authorities announced the recapture of Fabricio Colón Pico. In May 2024, the Government declared a new security state of emergency granting the Government expanded powers to address crime. The situation raised concerns about potential human rights abuses and the need for accountability in security operations and the Government has

since launched an investigation into eight reported extrajudicial killings that allegedly occurred during the state of emergency declared at the start of the year. Thereafter, the Government implemented a series of executive decrees throughout 2024 and 2025 declaring and renewing states of exception on a targeted and time limited basis in response to internal armed conflict and grave internal disturbance. These measures were initially focused on specific coastal and Amazon provinces and were subsequently renewed and expanded through successive decrees to include additional provinces, the Metropolitan District of Quito and, at certain points, the national prison system. The states of exception were generally declared for periods of 30 or 60 days and renewed as necessary, reflecting the evolving security situation and the authorities' ongoing efforts to restore public order and strengthen internal security.

In parallel with these security measures, the Government has adopted actions aimed at reinforcing human rights protections during security operations. In accordance with its constitutional mandate as a civilian, professional and specialized institution, the National Police of Ecuador, together with the Ministry of the Interior, has implemented training, regulatory and operational initiatives aligned with international human rights standards. Between 2023 and 2025, the National Directorate of Education, through the Police Training Center, developed and delivered a Continuous Comprehensive Training Program based on the Organic Law Regulating the Legitimate Use of Force and the United Nations Basic Principles on the Use of Force and Firearms. These programs, delivered through in person and virtual formats, covered topics including human rights, legitimate use of force, peaceful conflict management, emotional control and professional ethics. In 2025, more than 31,000 police officers participated in such training programs, following average annual participation levels exceeding 55,000 officers in prior years, reflecting an ongoing institutional commitment to protecting life and personal integrity and to ensuring that security operations are conducted in accordance with domestic law and applicable international human rights standards.

In the months that followed, Ecuador continued to confront severe security pressures, particularly within the penitentiary system, which remained a focal point of gang activity and violence. In November 2024, a large-scale riot at the Guayas 1 penitentiary resulted in multiple fatalities and underscored the continued operational control exercised by criminal organizations inside several facilities. Additional disturbances in late 2024 and early 2025, including violent clashes in Machala and attacks linked to coordinated gang activity, highlighted the systemic challenges facing the prison system and the need for sustained intervention. In response, the Government expanded the deployment of military personnel to high-risk prisons, reinforced perimeter and access controls, and implemented new protocols to limit inmates' ability to direct criminal operations from within detention centers.

As part of its ongoing efforts to restore order within the penitentiary system and disrupt the operations of organized crime, the Government inaugurated a new maximum-security prison known as the "*Cárcel del Encuentro*" in Santa Elena province in November 2025. Construction of the facility began in June 2024 and was completed in approximately 16 months, with the first inmates transferred in November 2025. The project involved an investment of approximately U.S.$52 million and is designed to house up to 800 inmates, incorporating enhanced surveillance, biometric access controls and strict isolation protocols. By mid-December 2025, the inmate population had reached approximately 640 inmates. The opening of this facility reflects the Government's broader strategy to strengthen institutional capacity and reduce the influence of criminal organizations within detention centers.

A significant development occurred in June 2025 with the recapture of Adolfo Macías, known as "Fito," leader of the Los Choneros criminal organization, who had escaped custody in early 2024. His arrest, carried out through coordinated intelligence and security operations, was viewed as a major step toward disrupting the command structures of one of the country's most influential criminal groups. The Government initiated extradition proceedings to the United States on narcotics and weapons charges, consistent with the expanded extradition framework approved by voters in the April 2024 referendum.

During this period, Ecuador also experienced several high-profile security incidents, including targeted attacks and the use of explosive devices in urban areas such as Guayaquil, reflecting the continued operational capacity of fragmented criminal groups. These episodes reinforced the Government's reliance on joint military-police deployments authorized under the new constitutional framework. Authorities reported that these measures improved response capacity in high-priority zones and contributed to a series of additional arrests and seizures linked to drug-trafficking networks.

Overall, while security conditions remained challenging, the Government's actions throughout late 2024 and 2025 were oriented toward implementing the authorities granted by the referendum, restoring control within the prison system, and strengthening operational capabilities to address organized crime. See further "*The Republic of Ecuador—Surge in Violence and Organized Crime.*"

Ecuador's Power Sector Crisis

In 2024, Ecuador faced a severe energy crisis, driven primarily by an unprecedented drought that drastically reduced water levels in key reservoirs, particularly in the Paute and Mazar basins. These reservoirs feed hydroelectric plants, which supply a significant portion of the country's electricity. The crisis resulted in widespread blackouts, with power outages lasting up to 14 hours a day, and had a significant financial impact, with estimated losses in the business sector of approximately U.S.$12 million for every hour without electricity, according to the Ecuadorian Business Committee (*Comité Empresarial Ecuatoriano*). The Government immediately sought external help, negotiating electricity imports from Colombia. However, Colombia, facing similar drought conditions, temporarily suspended these exports, leaving Ecuador to manage its energy shortfall through emergency rationing and investment in new energy sources. On November 17, 2024, Ecuador resumed importing energy from Colombia, as further described below.

The lack of prior investment in Ecuador's electrical infrastructure and increased energy demand compounded the energy crisis. Demand grew by 10.5% in 2023, and by an additional 5.5% through August 2024, intensifying the strain on the power system. Aging thermal generation plants and low reliability due to outdated technology have further reduced capacity, necessitating regular scheduled blackouts to maintain balance.

The Government declared multiple states of emergency throughout 2024 to address the energy crisis, deploying the military to protect critical infrastructure and fast-tracking efforts to boost domestic energy production by up to 1,430 megawatts in the coming years. On June 19, 2024, Ecuador experienced a nationwide power outage that plunged the country into darkness. The blackout affected all 24 provinces of the country, causing significant disruptions to daily life and economic activities. The Ministry of Energy and Mines reported that the outage was due to a failure in the National Interconnected System. This incident highlighted the vulnerabilities in Ecuador's power infrastructure and raised questions about the country's energy security. As a result of the crisis, Ecuador's state-owned electric utility company, Corporación Eléctrica del Ecuador ("CELEC"), declared a state of emergency and signed four contracts for emergency power generation, adding 341 MW at a cost of approximately U.S.$350 million. Additionally, in August 2024, CELEC awarded contracts to Progen Industries LLC for the installation of generators capable of producing up to 150 MW at the Quevedo and Salitral plants, at a total projected cost of U.S.$149.1 million.

To strenghten the electricity sector and address both emergency supply needs and long-term system resilience, Ecuador's *Agencia de Regulación y Control de Electricidad* (Electricity Regulation and Control Agency or "ARCONEL") adopted a series of regulatory measures beginning in 2024. In September 2024, ARCONEL issued Regulations ARCONEL-003/2024, ARCONEL-005/2024 and ARCONEL-010/2024, which authorized (i) owners of emergency generation facilities to supply electricity to the national grid during periods of generation deficits or rationing, (ii) self-generation by regulated consumers and (iii) distributed generation for non-regulated consumers. Regulation ARCONEL-003/2024 was subsequently amended to allow emergency generation beginning at 10 kW using fuels such as LPG, diesel and fuel oil, and Regulation ARCONEL-004/2024 was amended in December 2024 to establish a priority-of-payments framework for obligations associated with private investment in generation and transmission projects. These measures supported the installation of approximately 30 MW of self-generation capacity in 2025 and are expected to facilitate the addition of more than 500 MW of distributed generation capacity.

As part of the Government's medium- and long-term strategy to diversify Ecuador's energy matrix and promote non-conventional renewable-energy development, ARCONEL issued Regulation No. ARCONEL-006/24 in October 2024 and Regulation No. ARCONEL-005/25 in October 2025, creating a new framework for renewable-energy projects of up to 100 MW that are not included in the Electricity Master Plan. These regulations authorize direct concessions without a public bidding process, establish detailed technical, commercial and procedural requirements, prioritize projects incorporating energy-storage systems and interconnection infrastructure, and introduce fixed preferential tariffs based on the Total Levelized Cost of Energy, differentiated by technology and applicable for 20 to 30 years. Solar and wind projects must include battery-energy-storage systems, and developers assume all project-related risks, including permitting, financing and grid-connection obligations. Eligible projects are dispatched at zero variable cost, and capacity expansions may proceed under the same tariff structure without extending the original concession term.

To quickly boost electricity supply, a 100 MW floating power plant began commercial operations on September 16, 2024. This temporary solution aims to provide immediate relief during peak demand periods, ensuring stability in the power supply when hydroelectric resources are limited.

As of September 22, 2024, the country had experienced 71 days without significant rainfall, which severely impacted its hydroelectric power plants that supplied approximately 70% of the country's electricity. This prolonged drought led to record-low water levels in the Mazar basin, with the rate of water flowing into or within the basin, measured as a percentage

of typical or expected flow rates, reaching historic lows of 0.5% in July, 0.04% in August and 0.06% in September. The drought also resulted in multiple wildfires, particularly around Quito, where approximately 2,000 firefighters, rescue workers and military personnel battled the blazes. In response to the crisis, the Government declared a red alert in 19 provinces on September 22, 2024, including Quito, and imposed planned power outages across 12 of Ecuador's 24 provinces. The blackouts, which were initially scheduled for eight hours nightly from Monday to Thursday, were extended to include a nine-hour suspension on Sundays from 8:00 a.m. to 5:00 p.m. local time. In addition, in September 2024, water rationing was implemented in 60 neighborhoods in Quito. The Government also deployed military personnel to key hydroelectric facilities, including the Mazar plant, to support operations and ensure protection.

On October 23, 2024, the Ministry of Labor introduced a temporary labor regime in response to the national energy crisis allowing private sector employers and employees to voluntarily adjust the workweek to four days, with 10-hour workdays, either from Monday to Thursday or Thursday to Sunday, maintaining the standard 40-hour workweek. This regime was expressly established as an exceptional measure linked to the energy emergency caused by severe drought conditions and, pursuant to the applicable regulations, automatically expired upon the end of the energy emergency, which ended at the end of 2024.

On October 27, 2024, the National Assembly unanimously approved a bill proposed by President Noboa that increases the cap on private investment in electricity generation projects from 10 megawatts to 100 megawatts, aiming to attract more private capital into the sector. The bill also authorizes private companies to import natural gas for industrial use and electricity generation, provided they meet technical and quality standards set by regulatory authorities. This initiative is part of the Government's broader strategy to diversify energy sources and reduce reliance on hydropower. Building on this legislative effort, he Organic Law to Promote Private Initiative in Energy Generation, published on October 28, 2024, further advances the objective of attracting private investment in renewable and low-impact transition energy to address Ecuador's energy crisis. The law defines transition-generation technologies, establishes guarantees and payment-priority mechanisms, and limits asset reversion to the State for small and self-generation projects. It also sets clear rules for project development both within and outside the Electricity Master Plan, granting priority dispatch and preferential pricing to small renewable projects, particularly those incorporating storage. In addition, the law strengthens legal stability provisions, facilitates financing and creditor protections, promotes self-consumption and the sale of surplus energy, encourages thermal plants to transition to cleaner technologies (including natural gas), enables gas importation, and imposes regulatory and tendering deadlines to support timely implementation.

On November 6, 2024, President Noboa issued Executive Decree 444, implementing financial relief measures to mitigate the economic impact of the ongoing energy crisis. The decree allows public, private and cooperative financial institutions to offer extraordinary deferral programs for up to 90 days, enabling clients to postpone payments without incurring additional interest, fees or penalties. Additionally, the decree permits the restructuring and refinancing of loans to accommodate current economic conditions. Internet service providers are also mandated to implement compensation measures and provide payment facilities to users affected by service interruptions due to power outages.

On November 17, 2024, Ecuador resumed importing energy from Colombia, initially averaging 420 megawatts per day, with plans to increase the supply to 440 megawatts. The energy exchange is facilitated by the electrical interconnection between the two countries, which enables dynamic exchange based on availability and demand. This measure, coupled with slightly improved hydrological conditions, has allowed the Government to reduce the mandated daily power outages from 12 to 8 hours. On December 20, 2024, daily power outages were terminated.

In the weeks that followed, Ecuador began to experience a gradual stabilization of its power system as hydrological conditions improved and emergency generation projects advanced. By late November 2024, the Government reported that the most acute phase of the crisis had subsided, although structural vulnerabilities persisted due to the country's continued dependence on hydroelectric sources. The resumption of electricity imports from Colombia, combined with the incorporation of temporary floating generation units and the commissioning of additional thermal capacity, allowed authorities to progressively scale back the duration and frequency of programmed outages. These measures, along with regulatory actions enabling private participation in emergency supply, contributed to restoring a measure of operational reliability to the interconnected system.

Hydrological conditions improved materially toward the end of 2024 and into 2025, supporting a stronger recovery in hydroelectric generation. As of September 2024, the average flow rate in the Mazar basin was 18.49 cubic meters per second, increasing to 89.29 cubic meters per second by September 2025. Similarly, the Paute hydroelectric complex recorded an average flow of 44.86 cubic meters per second in 2024, corresponding to annual generation of approximately 6.14 terawatt-

hours, compared to an average flow of 128 cubic meters per second in 2025, supporting significantly higher generation levels of approximately 8.44 terawatt-hours as of December 15, 2025. Although no hydroelectric facilities were taken offline during 2024, their output declined materially due to low river flows; by contrast, improved hydrological conditions in 2025 resulted in a substantially higher contribution of hydroelectric power to the national electricity system.

In addition to the recovery of major hydroelectric complexes, 2025 saw renewed progress in the rehabilitation and commissioning of the Toachi Pilatón hydroelectric project, a long-delayed facility considered strategic for Ecuador's energy matrix. After years of technical and contractual setbacks, the government prioritized the completion and integration of Toachi Pilatón, which is expected to add up to 254 MW of installed capacity and help stabilize the national grid, especially during periods of low rainfall. Simultaneously, Ecuador increased investment in thermal energy infrastructure, both by upgrading existing plants and commissioning new thermal generation units. These investments were critical in providing backup capacity during the 2024 drought and subsequent blackouts, and remain essential for ensuring energy security and grid reliability as the country transitions toward a more diversified and resilient energy mix. The combined effect of bringing Toachi Pilatón online and strengthening thermal generation has reduced Ecuador's vulnerability to hydrological shocks and improved the overall stability of the electricity supply.

These infrastructure and investment advances were complemented by important regulatory reforms. In January 2024, the National Assembly passed the Organic Law of Energy Competitiveness to introduce new actors and technologies in the energy generation sector intending to reduce reliance on hydropower and to mitigate energy shortages. See "*President Noboa's Administration*." The law focuses on three main pillars: investment, new clean energy generation and deregulation of the energy sector, and allows for private sector participation in electricity service activities through public selection processes, including foreign state-owned enterprises and popular and solidarity economy companies. The law provides incentives for renewable energy adoption, such as VAT exemptions for solar photovoltaic equipment and wastewater treatment plants, and encourages distributed generation systems for self-supply using non-conventional renewable energy. It also establishes a National Energy Efficiency Investment Fund to finance plans and projects aligned with the National Electricity Plan. The legislation introduces a short-term energy market for voluntary transactions governed by hourly energy prices and promotes self-generation of clean energy for industries and businesses. Additionally, it includes provisions for debt forgiveness on electricity bills for non-industrial customers and total debt forgiveness for customers in earthquake-affected provinces. Specifically, the law offers a 100% additional deduction for investments in machinery, equipment and technologies intended for the implementation of distributed generation systems based on unconventional renewable energy. This measure encourages companies to adopt renewable energy solutions for their own power needs, reducing dependency on non-renewable sources. Furthermore, the law introduces a 0% tax rate for electric vehicles and equipment and accessories for solar photovoltaic generation, as well as plants for wastewater treatment. Additionally, electric vehicles are exempt from the ICE (Special Consumption Tax), further promoting the shift toward cleaner transportation options. The law also includes provisions under RIMPE (the Small and Micro Enterprises Regime), allowing these businesses to deduct salaries paid to affiliated employees, thus promoting formal employment in the growing green energy sector.

By mid-2025, the Ministry of Energy and Mines (now Ministry of Environment and Energy) indicated that the combination of emergency investments, regulatory reforms, and external energy imports had placed Ecuador on a more stable footing heading into the next hydrological cycle. Although the structural factors behind the 2024 crisis, including low reservoir resilience, aging thermal plants, and limited diversification of the generation matrix, persisted, the Government's response helped mitigate the immediate impact of the drought and provided momentum for broader modernization initiatives. The authorities continued to highlight the importance of expanding renewable and thermal capacity, strengthening transmission infrastructure, and promoting private investment to reduce exposure to climate variability and ensure long-term energy security.

THE ECUADORIAN ECONOMY

Gross Domestic Product

In 2022, real GDP reached U.S.$113,183 million, compared to U.S.$106,909 million in 2021, representing an 8.4% increase in real terms. Nominal GDP for 2022 totaled U.S.$116,133 million, compared to U.S.$107,179 million in 2021, also representing an 8.4% increase. This growth was mainly driven by increases in household consumption and higher imports and exports of goods and services.

In 2023, real GDP amounted to U.S.$115,434 million, compared to U.S.$113,183 million in 2022, representing an increase in real terms. Nominal GDP reached U.S.$121,147 million, compared to U.S.$116,133 million in 2022. This growth was mainly driven by increase in domestic demand, particularly household consumption.

In 2024, real GDP was U.S.$113,123 million, compared to U.S.$115,434 million in 2023, representing a 2.0% decrease in real terms. Nominal GDP for 2024 totaled U.S.$124,676 million, representing a 2.9% increase from U.S.$121,147 million in 2023. This increase was mainly due to higher prices, exports value, even though the real volume of production decreased.

Real GDP for the first nine months of 2025 was U.S.$32,623 million, compared to U.S.$31,234 million for the first nine months of 2024, representing a 4.4% increase in real terms. This increase was mainly driven by growth in economic activity, particularly in the agriculture, livestock and forestry sector, as well as in financial and insurance activities. Nominal GDP for the first nine months of 2025 reached U.S.$96,248 million, representing an increase of 5.6% from U.S.$91,129 million for the same period in 2024. This increase was mainly due to the expansion of agriculture, livestock and forestry and financial and insurance activities.

According to the INEC, the annual inflation rate in Ecuador increased steadily from deflation of 0.93% for 2020 to 1.94% for 2021, and 3.74% in 2022. This increase was primarily due to disruptions in international markets and related problems in international transport supply chains that affected the price of raw materials, as well as policy measures on fuel prices. The inflation rate decreased to 1.35% in 2023. This decrease was primarily due to the stabilization of raw material prices at the international level, normalization of production chains and moderate domestic demand. In 2024, the annual inflation rate further decreased to 0.53%, reflecting continued moderation in price pressures and lower domestic demand. In November 2025, annual inflation slightly increased again to reach 1.05%, mostly due to an increase in demand.

In 2024, trade was the largest sector of the economy measured by percentage of nominal GDP (15.2%), followed by agriculture, livestock and forestry (8.3%), petroleum and mining (8.2%) and manufacturing (6.9%). In the first six months of 2025, trade was the largest sector of the economy measured by percentage of nominal GDP (15.5%), followed by agriculture, livestock and forestry (8.9%), petroleum and mining (7.4%) and manufacturing (7.2%).

In 2024, crude oil exports totaled U.S.$8,646.5 million, an increase of 10.52% compared to U.S.$7,824 million in 2023. This increase was due to an increase in export volume from 115.03 million barrels in 2023 to 126.31 million barrels in 2024 and partially offset by a decrease in the average international price of petroleum per barrel from U.S.$77.58 in 2023 to U.S.$76.63 in 2024.

As of September 30, 2025, crude oil exports totaled U.S.$5,777.7 million, a decrease of 18.7% compared to U.S.$7,102.3 million in the same period in 2024. This change was primarily due to a lower international crude price, a decline in production, and the temporary suspension of crude transportation.

The following table sets forth Ecuador's nominal GDP by economic sector for the periods indicated:

Nominal GDP by Economic Sector [(1)]

	For year ended 31 December,						For nine months ended September 30,	
	2022	% of GDP	2023	% of GDP	2024	% of GDP	2024	2025
	(in millions of U.S.$, except for percentages)							
Manufacturing [(2)]	14,417	12.37%	14,176	11.93%	15,410	12%	11,239	12,095
Construction	4,751	4.07%	4,695	3.95%	4,905	4%	3,530	3,684
Petroleum and mining	12,144	10.42%	10,192	8.58%	10,168	8%	7,884	6,746

	For year ended 31 December,						For nine months ended September 30,	
	2022	**% of GDP**	**2023**	**% of GDP**	**2024**	**% of GDP**	**2024**	**2025**
	(in millions of U.S.$, except for percentages)							
Trade (commerce)	18,899	16.21%	19,083	16.06%	18,937	15%	13,594	14.706
Agriculture	6,956	5.97%	7,710	6.49%	10,398	8%	7,156	8,259
Social services	4,517	3.87%	4,729	3.98%	4,696	4%	3,523	3,532
Government services [3]	8,170	7.01%	8,764	7.37%	8,377	7%	6,274	6,324
Administrative activity [4]	7,951	6.82%	8,294	6.98%	8,147	7%	5,937	6,201
Transportation	5,365	4.60%	5,670	4.77%	5,600	4%	4,065	4,260
Finance and insurance	5,045	4.33%	5,187	4.36%	5,604	4%	4,125	4,711
Telecommunications	2,431	2.09%	2,508	2.11%	2,374	2%	1,745	1,789
Electricity and water	2,070	1.78%	2,239	1.88%	1,929	2%	1,512	1,636
Others [5]	23,869	20.47%	25,598	21.54%	28,131	23%	20,545	36,996
Total GDP	**116,586**	**100.0%**	**118,845**	**100.0%**	**124,676**	**100.0%**	**91,129**	**96,248**

Source: Data based on figures from the Central Bank, Quarterly National Accounts of 2025.
(1) Table measures gross value added by economic sector and corresponding percentage of Nominal GDP.
(2) Includes manufacturing other than petroleum refining.
(3) Includes Public Administration.
(4) Includes Professional and Technical Administration.
(5) Includes fishing, petroleum refining, hospitality and food services, domestic services, other services and other elements of GDP.

The following table sets forth Ecuador's real GDP growth by expenditure as a percentage of total real GDP growth for the periods indicated:

Real GDP and Expenditure Growth

	For the year ended December 31,			For the nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(Percentage change from previous comparable period based on 2018 prices)				
Real GDP Growth	5.9%	2.0%	-2.0%	-2.4%	3.3%
Import of goods & services [1]	9.5%	0.6%	1.7%	1.0%	15.7%
Public Sector Consumption	1.4%	1.7%	-1.2%	-1.4%	0.5%
Private Consumption	6.0%	4.2%	-1.3%	-1.8%	8.7%
Gross Fixed Capital Formation	9.2%	0.2%	-3.8%	-4.2%	6.9%
Exports of goods and services [1]	7.8%	0.8%	1.8%	1.2%	2.1%

Source: Data based on figures from the Central Bank, Quarterly National Accounts Bulletin.
(1) Corresponds to figures from "Real GDP by Expenditure" table.

The following table sets forth Ecuador's per capita GDP statistics for the years indicated:

Per Capita GDP

	For the year ended December 31,		
	2022	**2023[1]**	**2024[5]**
	(U.S.$, except for population in thousands of people)		
Per capita Nominal GDP	6,581	6,664	6,939
Per capita Real GDP	6,431	6,539	6,296
Population [3]	17,715	17,835	17,967

Source: Data based on figures from Table 4.3.5 of the Central Bank's Monthly Statistical Information, available at https://www.bce.fin.ec/en/economic-information
(1) Provisional data published by the Central Bank.
(2) Preliminary data published by the Central Bank based on the aggregation of quarterly data.
(3) Population figures correspond to projected population annual figures from 2010 census.

The following table sets forth the real GDP growth by expenditure for the periods indicated:

Real GDP by Expenditure

	For the year ended December 31,			For the nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(in millions of U.S.$)				
Consumption					
Public Sector Consumption	15,719	16,456	16,570	4,149	4,220
Private Consumption	74,428	79,511	80,881	20,706	21,819
Total Consumption	90,148	95,967	97,451	24,855	26,039
Gross Investment					
Gross Fixed Capital Formation	23,900	24,050	22,953	5,616	6,211
Change in Inventory	2,121	968	90	-91	72
Exports of goods and services [(1)]	35,914	34,607	37,750	9,316	9,483
Imports of goods and services [(1)]	35,950	34,444	33,568	8,462	9,183
Real GDP	116,133	121,147	124,676	31,234	32,623

Source: Data based on figures from the Central Bank.

(1) The exports and imports figures in this table have been adjusted for inflation and reflect the contribution of exports and imports to GDP. They differ from the nominal exports and imports in the "Balance of Payments" table and stand-alone exports and imports tables in the "Exports-(FOB)" and "Imports-(CIF)" tables in this Offering Circular.

Economic and Social Policies

Below is a brief description of the most relevant major economic and financial reform initiatives over the past years:

The 2008 Constitution

One of the most important objectives of the 2008 Constitution was to grant control over the Central Bank to the executive branch. Section 6, Article 303 of the 2008 Constitution states that "the drafting of monetary, credit, foreign exchange and financial policies is the exclusive power of the executive branch and will be implemented through the Central Bank" hence limiting the autonomy and authority of the Central Bank for the purpose of effective implementation of reforms by the executive branch and its agencies. Another relevant reform embedded in the 2008 Constitution is the creation of a debt and finance committee (the "Debt and Finance Committee"), tasked with evaluating and approving issuances or incurrence of sovereign debt. The Debt and Finance Committee is comprised of the President or his or her delegate, the Minister of Economy and Finance or his or her delegate, and the National Secretary of Planning and Development or his or her delegate. The sub-secretaryin charge of public debt, the Undersecretary of Public Finance, acts as the secretary for the committee. See "*Public Debt—Genera*l." Other important reforms include the establishment of limitations on the proceeds of public borrowing (Article 289) (see "*Public Debt—General*"), the possibility of the President to be elected to a second consecutive term (Article 144 of the 2008 Constitution) (see "*The Republic of Ecuador—Form of Government*"), the requirement of an evaluation structure for any public program in conjunction with the National Development Plan (Article 297 of the 2008 Constitution), and the establishment of the Treasury Account or the administration of the general budget (Article 299). In May 2011, certain amendments to the 2008 Constitution were approved by popular referendum. The most debated amendments included the change to the Judiciary Council to its current make up (see "*The Republic of Ecuador—Form of Government*"), and the prohibition of owners of media companies to own stock in non-media companies. On December 3, 2015, the National Assembly approved certain amendments to the 2008 Constitution, including the elimination of term limits for public officials, allowing indefinite re-election, and a transitory provision providing that such elimination of term limits would become effective on May 24, 2017. These amendments were published and became effective on December 21, 2015.

In February 2018, certain amendments to the 2008 Constitution were approved by national popular referendum. The amendments included, among others, that those convicted of corruption related offenses should lose their political rights, and the reversion of the 2015 constitutiona l amendment which allowed indefinite re-election, limiting instead officials to a single re-election to the same office. A constitutional referendum took place on February 5, 2023 at the same time as the local elections. Former President Lasso, upon meeting the requirements to call the referendum (including authorization from the Constitutional Court) called on November 29, 2022 for a binding referendum to effect amendments to the 2008 Constitution. Eight questions were put to the electorate, each of which proposed to modify different articles of the 2008 Constitution. These questions included the right to extradite individuals as well as questions related to judicial reforms and changes to the Republic's governmental bodies(such as the reduction of seats in the National Assembly, minimum membership requirements

for the registration of political parties and their participation in elections, and certain other matters relating to the appointment of certain Government positions and the Council for Citizen Participation and Social Control) and questions on the establishment of a water protection agency and environmental protection for individuals, communities and indigenous people from environmental damage. Voting took place on February 5, 2023 and all eight proposals failed to receive the required votes for approval, increasing political uncertainty.

Subsequently, on April 21, 2024, the new administration of President Noboa, who took office in November 2023, called for a constitutional referendum and public consultation. This new referendum focused primarily on security measures, institutional reforms and economic reactivation, and consisted of 11 proposals. Unlike the previous referendum, nine out of 11 proposals were approved by voters, with a reported turnout of 72%. However, two key economic proposals were rejected, consisting of a proposal to make certain labor laws more flexible, which was viewed as potentially undermining workers' rights, and a measure to allow Ecuador to recognize international arbitration as a method for resolving disputes related to investment, contractual or commercial matters. The people's rejection of this latter proposal was seen as a setback for President Noboa's economic agenda. The nine approved proposals primarily focused on enhancing security measures and institutional reforms. A key measure allows the country's military to support police operations in combating organized crime without declaring a state of emergency, effectively making permanent some of the emergency measures implemented in January 2024. Other approved measures include enabling extradition processes for Ecuadorians involved in transnational crimes, creating specialized constitutional courts and increasing penalties for serious offenses such as terrorism, drug trafficking, organized crime, murder, human trafficking and money laundering. The referendum also approved measures to ensure that certain crimes must be served through imprisonment, without the possibility of semi-open regimes or sentence reductions based on good behavior. These security-focused proposals received strong support. The approval of these measures was seen as a significant victory for President Noboa, providing him with a mandate to implement his security agenda in response to Ecuador's escalating violence and organized crime challenges.

However, political developments in 2025 underscored continuing challenges to governance and reform implementation. In a referendum held in November 2025, voters rejected all four government-backed proposals, including measures to authorize foreign military bases, reduce the size of the legislature, eliminate mandatory public financing of political parties and convene a Constituent Assembly. The referendum regarding military bases would have allowed the United States to establish a military base in Ecuador.

Budget Reforms

Enacted in April 2008, the *Ley Orgánica para la Recuperación del Uso de los Recursos Petroleros del Estado y Racionalización Administrativa de los Procesos de Endeudamiento* (the Law for the Recovery of the Use of Oil Resources of the Republic and Administrative Rationalization of Indebtedness, the "LOREYTF") replaced Ecuador's then-existing budget and transparency regulations. The objectives of the law were (i) to enhance the transparency and flexibility of the budget process by prioritizing investments and improving the management of Government resources and (ii) to terminate any distribution of budgeted amounts based on predetermined uses of resources. To achieve those objectives, the LOREYTF eliminated the *Cuenta Especial de Reactivación Productiva y Social del Desarrollo Científico-Tecnológico y de Estabilización Fiscal* (the Scientific-Technological and Fiscal Stability Social and Productive Reactivation Special Account, "CEREPS"). Also, pursuant to Article 299 of the 2008 Constitution, LOREYTF established the Cuenta Única del Tesoro – a single Central Bank master account for the management of Ecuador's resources. The *Cuenta Única del Tesoro* is comprised of various sub-accounts where amounts are allocated according to functional purposes. These sub-accounts include a social security account, accounts for public companies, a public banking account, and accounts for municipal and provincial governments (the "Autonomous Decentralized Governments"). The budget and transparency regulations established in LOREYTF were subsequently codified and superseded by the Public Planning and Finance Code.

The *Ley Orgánica para el Fomento Productivo, Atracción de Inversiones, Generación de Empleo, y Estabilidad y Equilibrio Fiscal* (Organic Law for Productive Development, Investment, Employment and Fiscal Stability or "Organic Law for Productive Development") enacted in August 2018 amended the Public Planning and Finance Code to prevent a budget with a primary deficit being approved and ensure that any increase in the expenditure of the Central Government does not exceed the long-term growth rate of the economy.

Tax Reforms

Reform Act to the Internal Tax Regime Law and the Reform Act for Tax Equity in Ecuador

Enacted in December 2008, the *Ley Reformatoria a la Ley de Régimen Tributario Interno y a la Ley Reformatoria para la Equidad Tributaria del Ecuador* (Reform Act to the Internal Tax Regime Law and the Reform Act for Tax Equity in Ecuador) reformed the existing tax system by improving the mechanisms by which the Government collects tax revenues. The objectives of the law were: (i) to reduce tax evasion; (ii) to improve direct and progressive taxation; (iii) to increase the tax base; and (iv) to generate adequate incentives for investment in economic activity. On December 29, 2014, the National Assembly enacted a corporate tax reform relating to the taxation of shareholders of Ecuadorian companies who reside in tax havens. The reform increased the corporate tax rate to 25% from 22% if an Ecuadorian company's owners are tax haven residents who own collectively more than 50% of the company. In addition, the tax reform exempt companies from corporate taxes, for a period of ten years, for profits related to new and productive investments as defined by the *Código Orgánico de la Producción* (the "Production Code"). Furthermore, in December 2017, *Ley Orgánica para la Reactivación de la Economía, Fortalecimiento de la Dolarización y Modernización de la Gestión Financiera* (the "Organic Law for the Reactivation of the Economy, Strengthening of Dollarization and Modernization of Financial Management") was published and became effective, which included, among other measures, tax incentives to microenterprises, small businesses, cooperatives and associations, and an increase of 3% to the corporate income tax (now subject to 25%). The Organic Law for Productive Development, enacted in August 2018, expanded some of the tax incentives under the Production Code (including income tax exemption for eight years instead of five for investments in Quito or Guayaquil, for 12 years elsewhere, and for 15 years in basic industries as defined in the Production Code, and for five additional years if located in bordering counties).

For more information on these laws and other tax reforms, see "*Public Sector Finances—Taxation and Customs,*" "*Public Sector Finances—Tax Reforms*," "T*he Republic of Ecuador—Form of Government,*" and "*Public Debt*."

Law on Economic Development and the Organic Law on Tax Simplification

In October 2019, former President Moreno presented before the National Assembly the draft Law on Economic Development, aimed at reforming several of the Republic's tax and financial laws. Specifically, the Law on Economic Development's objective was to, on the one hand, increase revenue by U.S.$450 million by progressively taxing corporations and individuals with higher yearly income, and imposing new taxes such as a tax on plastic bags and e-cigarettes; and in addition introducing a number of measures to create: (a) a more efficient tax system for taxpayers; and (b) reforming certain aspects of Ecuador's financial laws and regulations to, among other objectives: (i) enhance fiscal sustainability establishing stricter budget controls; and (ii) strengthen dollarization by enhancing the Central Bank's autonomy. After the protests held in October 2019, former President Moreno modified the proposed draft Law on Economic Development to remove the elimination of gas subsidies as part of the draft law.

In November 2019, the National Assembly voted to reject the draft Law on Economic Development. In response, former President Moreno presented the draft Ley Orgánica de Simplificación y Progresividad Tributaria (the "Organic Law on Tax Simplification"), replacing the draft Law on Economic Development with respect to certain aspects of the intended tax reform. The Organic Law on Tax Simplification, after a Presidential partial veto, became effective in December 2019. The Organic Law on Tax Simplification eliminates income tax advances, VAT and ICE on certain products and services (e.g. certain web services, and electric and public vehicles), provides for 100% debt relief of interest and charges on certain student loans, a progressive taxation calendar for corporations and individuals with higher yearly income, and imposes new special taxes on supermarket plastic bags, certain mobile services and certain beers, among other tax reforms targeting certain micro-entrepreneurs, immigrants, exporters, agricultural manufactures, and others.

Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic. In November 2021, at the direction of former President Lasso, the Government enacted the *Ley Orgánica para el Desarrollo Económico y Sostenibilidad Fiscal tras la Pandemia COVID-19* ("Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic"). This law established that: (i) those with an income of more than U.S.$2,000 per month would be subject to increased income tax; (ii) those with a net worth of U.S.$1 million or more (or, in the case of marital partnerships, U.S.$2 million or more) would be subject to increased income tax; (iii) taxes on certain goods and services (such as feminine hygiene products and cell phone plans) would be reduced or eliminated; (iv) companies with assets worth over U.S.$5 million must make a solidarity contribution of 0.8% for two years; (v) a new regime would be introduced for entrepreneurs and popular businesses; (vi) a special contribution would be made by companies that generated profits during the COVID-19 pandemic; and (vii) income tax would be increased for certain incomes.

As a result of the abovementioned increases in income tax:

- those with an annual income of U.S.$51,630 to U.S.$61,630 were subject to an income tax rate of 30% (an increase of 10%);
- those with an annual income of U.S.$61,630 to U.S.$100,000 were subject to an income tax rate of 35% (an increase of 15%); and
- those with an annual income of U.S.$100,000 or more were subject to a new income tax rate of 37%.

Where entrepreneurs and popular businesses entered into an investment agreement with the Republic pursuant to the Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic, they benefited from:

- a 5% reduction in their income tax rate;
- no currency outflow tax by way of ISD payable for payments made abroad for capital goods and/or raw materials that were the subject of the investment agreement;
- exemption from foreign trade taxes (other than customs service fees) on imports of capital goods and raw materials that were the subject of the investment agreement;
- future tax stability whereby tax incentives provided to them would not be revoked nor would they be prevented from enjoying such tax incentives where the law was updated and removed them; and
- in respect of investment agreements exceeding U.S.$100 million, stability on the legal norms of the taxable base, rates and values to be paid for taxes.

In addition, the Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic regulated capital or investments held by certain individuals outside of Ecuador and required that they be reported to the Servicio de Rentas Internas ("IRS") and income tax be paid thereon.

The Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic also reduced the rate of VAT for services rendering tourist activities by 4% in order to boost tourism, exempted several services from VAT and established a new 0% VAT rate for the purchase of electric and hybrid vehicles and solar panels in order to promote energy transition.

The Organic Law for Economic Development and Fiscal Sustainability after the COVID-19 Pandemic also made changes to consumption taxes through ICE, meaning that the President may reduce the ICE rate at any time by way of an executive decree and subject to a supporting opinion from the Ministry of Economy and Finance.

Decree 298 and Decree 643

Decree 298 was enacted on December 22, 2021 and established the following reductions in ISD for 2022:

- as of January 1, 2022, 4.75%;
- as of April 1, 2022, 4.50%;
- as of July 1, 2022, 4.25%; and
- as of October 1, 2022, 4.00%.

On January 10, 2023, Decree. 643 was enacted and established the following reductions in ISD for 2023:

- as of February 01, 2023, 3.75%;

- as of July 1, 2023, 3.50%; and

- as of December 31, 2023, 2.00%.

Organic Law to Address Internal Armed Conflict and the Social and Economic Crisis

On March 12, 2024, the Organic Law to Address Internal Armed Conflict and the Social and Economic Crisis was enacted as a response to ongoing socio-political challenges in Ecuador. The law introduced two temporary contributions aimed at financing emergency measures for the affected population. Additionally, it temporarily modified the VAT rate for the construction industry, setting it at 5% for local transactions involving construction materials, a strategic reduction designed to support the construction sector and alleviate housing shortages amid the crisis. The general VAT rate increased from 12% to 13% to help increase government revenues in a time of heightened public spending. Furthermore, the ISD was set at 5%, which likely impacts the flow of capital but is intended to stabilize the currency and retain financial resources domestically during challenging times Public Planning and Finance Code.

Public Planning and Finance Code

Enacted in October 2010, the Public Planning and Finance Code created a new financial regulatory system pursuant to the 2008 Constitution. The objectives of the law, among others, were to develop and coordinate national and regional governmental planning, guarantee the rights of citizens through equitable resource allocation and increased citizen participation in framing public policy, and strengthen national sovereignty and Latin American integration through public policy decisions. To achieve those objectives, the Public Planning and Finance Code, as amended under the *Ley Orgánica para el Ordenamiento de las Finanzas Públicas* ("Organic Law for the Regulation of Public Finances") (see "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for the Regulation of Public Finances*"):

- allows for more flexibility for the Ministry of Economy and Finance to reallocate and reassign expenditures up to 5% of the approved Government budget without the prior approval of the National Assembly (before July 15, 2020, until the passing into law of the Organic Law for the Regulation of Public Finances, this authority was capped at 15% under the law);

- sets an explicit total public debt ceiling of 40% of GDP including Central Government, non-financial public sector and Autonomous Decentralized Governments (see "*Public Debt—General" and "—Organic Law for the Regulation of Public Finances*" for a description of the Republic's measures to decrease the public debt levels to below the debt ceiling);

- allows the Ministry of Economy and Finance to issue short term certificates of Ecuador ("CETES") at its discretion, without having to undergo the same approval process required for long-term internal and external sovereign debt;

- allows for the establishment of citizens' committees for financial public policy consultations;

- determines that all excess cash not spent during a fiscal year will be accounted for as initial cash for the following fiscal year; and

- establishes the functions and responsibilities of the Debt and Finance Committee (see "*Public Debt—General*").

In June 2018, the National Assembly passed the Organic Law for Productive Development, which became effective on August 21, 2018. The law amended Article 124 of the Public Planning and Finance Code providing that in exceptional cases, fiscal rules and the 40% debt-to-GDP ratio limit may be temporarily suspended when natural catastrophes, severe economic recession, imbalances in the payment system, or national emergency situations occur, for which purpose the approval of the majority of the members of the National Assembly would be required. These rules may also be suspended in the event that the President decrees a state of emergency, in accordance with the provisions of the 2008 Constitution. In these cases, the entity in charge of public finances would approve a plan to strengthen public finances to achieve and restore fiscal balance.

In April 2019, in line with the letter of intent presented to the IMF, the Ministry of Economy and Finance published the *Plan de Acción para el Fortalecimiento de las Finanzas Públicas* (the "Action Plan for the Strengthening of Public Finances") with 17 proposals aimed at strengthening fiscal and budgetary rules and planning and improving sustainability in the operations of the National Treasury. Among the proposals, the Ministry of Economy and Finance undertakes to send the President a draft bill: (i) modifying certain provisions of the Public Planning and Finance Code to further limit the Executive's discretion to outspend the national budget from 15% to 5% in order to increase credibility over each year's set fiscal goals; (ii) substituting the CETES with a new short-term instrument that guarantees its use within the budgetary year of issuance and placement; and (ii) including a chapter in the Public Planning and Finance Code with a functional outline of the fiscal rules to increase transparency. These amendments were passed into law with the Organic Law for the Regulation of Public Finances, which became effective on July 24, 2024 upon its publication in the Supplement to the Official Register No. 253 (see "*Organic Law for the Regulation of Public Finances*").

In October 2019, former President Moreno presented before the National Assembly the draft Law on Economic Development, which included certain amendments to the Public Planning and Finance Code aimed, among other objectives, at enhancing fiscal sustainability establishing stricter budget controls. However, in November 2019 the National Assembly rejected those amendments. In July 2020, the Organic Law for the Regulation of Public Finances, which amends the Public Planning and Finance Code became effective (see "*Organic Law for the Regulation of Public Finances*").

The Public Planning and Finance Code sought to improve the operation and transparency of the definitions and concepts of public finance, including: (i) demonstrating an adequate classification of the public sector; (ii) having a fiscal risk prevention, mitigation and management policy; (iii) establishing a fiscal programming document; (iv) establishing guidelines for the tax administrations for the issuance of tax expenditure; (v) limiting the modification of the General State Budget by the governing body of public finances; (vi) issuing indebtedness limits for Autonomous Decentralized Governments; (vii) developing plans to reduce backlogs in the public sector; and (viii) creating a 'National Treasury Financial Plan'.

The impact of the fiscal rules incorporated into the Public Planning and Finance Code has been evident since 2021, when the full set of fiscal rules became operational. As a result, the deficit of the Non-Financial Public Sector has declined on a sustained basis, accompanied by improvements in both the primary balance and the non-oil primary balance. In particular, the primary balance of the Non-Financial Public Sector improved from a deficit of approximately U.S.$316 million in 2021 to a fiscal surplus of approximately U.S.$1,349 million in 2024, reflecting closer alignment between revenues and expenditures and adherence to the mandatory annual fiscal targets established by the public finance authority.

On the expenditure side, the fiscal rules framework under the Public Planning and Finance Code has operated as a robust fiscal discipline mechanism, aimed at containing the growth of public spending. The rule governing computable primary expenditure, which links expenditure growth to long-term economic growth, has limited discretionary spending expansion and introduced a predictable technical anchor for budget programming. Available evidence indicates that expenditure growth has remained within the limits established by this rule, and that any deviations have occurred only under the statutory exceptions expressly provided for, subject to compensatory measures and fiscal strengthening plans. Accordingly, the fiscal rules have functioned as an effective tool to control expenditure growth and reinforce medium-term fiscal sustainability.

The *Ley Orgánica Reformatoria al Código Orgánico de Planificación y Finanzas Públicas* (the "Organic Law Reforming the Organic Code of Public Planning and Finances") was enacted on November 23, 2022 and aims to regulate the procedure for calculating the annual increases to be made in the General State Budget for initial education (basic and baccalaureate) and for the National Health System in order to guarantee compliance with the transitory provisions Eighteenth and Twenty-Second of the 2008 Constitution.

The Organic Law Reforming the Organic Code of Public Planning and Finances was amended in 2025 and further clarified the institutional and financial framework applicable to the Central Bank, expressly providing that the Central Bank does not form part of the public financial sector and, solely for purposes of public planning and public finance, is considered part of the Central Government. These amendments also authorized the Central Bank to enter into commodity price hedging transactions, excluded contingent liquidity lines contracted by the Central Bank from the calculation of public indebtedness, and removed such contingent liquidity facilities from the scope of the Public Debt and Financing Committee, vesting their regulation and authorization in the Financial Policy and Regulation Board.

Both the Republic and the Autonomous Decentralized Governments are subject to the Public Planning and Finance Code (as amended). For more information on the Public Planning and Finance Code, see "*Public Sector Finances—Fiscal Policy*."

Monetary and Financial Code

In September 2014, the National Assembly enacted the *Código Orgánico Monetario y Financiero* (the "Monetary and Financial Code") in order to address weaknesses of the Republic's financial system stemming from the banking crisis in 2000. To achieve its objectives, the Monetary and Financial Code created a new regulatory body, the Monetary and Financial Policy and Regulation Board, to oversee and regulate the execution of monetary, foreign exchange, financial, insurance, and securities policies of Ecuador. The board is comprised of delegates from the Ministry of Economy and Finance, the Ministry of Production, Foreign Trade, Investments and Fisheries (formerly the Ministry of Production and Industrialization), the National Secretary of Planning and Development, the Ministry of Finance and Economy (formerly the Ministry of Economic Policy), and a delegate appointed by the President. The principal function of the board is to oversee and monitor the liquidity requirements of Ecuador's financial system, ensuring that liquidity remains above certain levels (to be determined by the Monetary and Financial Policy and Regulation Board). The law also created a separate internal auditor for the Government's financial entities, established certain norms for the Central Bank and the Superintendent of Banks regarding their budget, purpose, and supervision, and set forth reporting requirements to the Monetary and Financial Policy and Regulation Board. The law also explicitly established that certain accounts in the Central Bank, including the accounts used for the deposits of the Corporación de Seguros de Depósito ("COSEDE") and the Liquidity Fund, are subject to sovereign immunity and cannot be subject to attachment of any kind.

In October 2019, former President Moreno presented before the National Assembly the draft Law on Economic Development, which included certain amendments to the Monetary and Financial Code. These amendments aimed to ensure that the Central Bank had clear objectives and limited functions, designed to fully support the dollarization regime. They encompassed measures to strengthen the Central Bank's autonomy, including in terms of its budget, improve the Central Bank's governance by establishing a board with fiduciary responsibilities to the Central Bank, and build a strong internal and external audit function. The amendments prohibited all direct and indirect lending by the Central Bank to the Government or the public sector, while remaining able to provide temporary liquidity support to public banks, if needed for prudential purposes. However, in November 2019, the National Assembly rejected those amendments. In July 2020, the Organic Law for the Regulation of Public Finances, which amends the Public Planning and Finance Code became effective (see "*Organic Law for the Regulation of Public Finances*").

In April 2021, the National Assembly passed the *Ley Orgánica Reformatoria al Código Orgánico Monetario y Financiero para la Defensa de la Dolarización* ("Organic Law Reforming the Organic Monetary and Financial Code for the Defense of Dollarization") aimed at strengthening the independence of the Central Bank.

In May 2021, the National Assembly enacted the *Ley para la Defensa de la Dolarización* ("Law for the Defense of Dollarization"). This law set forth that: (a) the Junta de Política y Regulación Monetaria y Financiera ("Monetary and Financial Policy and Regulation Board") be replaced by two new independent entities with their own powers: (i) the Monetary and Financial Policy and Regulation Board and (ii) the Monetary Policy and Regulation Board, both of which are within the executive branch; (b) the Central Bank is not allowed to provide Central Government, any governing body of public finances, Autonomous Decentralized Governments, public sector institutions or entities owed by the Government or public entities, with direct or indirect financing, or to make investments, including the purchase of shares or having an interest in privately and publicly companies, the purchase of securities issued by such companies, providing aid, donations or financial contributions to individuals and entities; and (c) the Central Bank's four-balance sheet hedging system was re-established. This law aims to gradually accumulate resources in the International Reserve of Free Availability to support the liabilities of the Central Bank within five years.

The Monetary Policy and Regulation Board is part of the executive branch, and was comprised of three members appointed by the National Assembly at the suggestion of the executive branch. The Monetary Policy and Regulation Board is responsible for the formulation of monetary policy, including: (i) establishing the policies of the Central Bank and supervising their implementation; (ii) overseeing compliance with the functions of the Central Bank; (iii) formulating policy and regulating the management of physical means of payment; (iv) evaluating risks to financial stability and issuing macroprudential regulations in consultation with the Financial Policy and Regulation Board; (v) regulating the central payment system, as well as the regulation, permission, registration, oversight and supervision of auxiliary payment systems; (vi) defining the investment policy of International Reserves; and (vii) approving the annual financial statements of the Central Bank.

The Monetary and Financial Policy and Regulation Board was part of the executive branch and was comprised of members appointed by the National Assembly from a shortlist of three candidates submitted by the President. The Monetary and Financial Policy and Regulation Board wass responsible for: (i) formulating credit and financial policies, including in respect of insurance policy, prepaid health care services and securities; (ii) issuing regulations that permit sustainability and stability of the financial systems; (iii) standardizing the criteria and protocols to determine the existence of a systemic crisis to issue and implement decisions and direct the actions to address it; (iv) issuing the regulatory framework and regulate the creation, constitution, organization, activities, operation and liquidation of financial services, securities, insurance policies and prepaid health care services; (v) regulating the financial activities carried out by entities of the national social security system; (vi) evaluating risks for financial stability and issue regulations in consultation with the Monetary Policy and Regulation Board; (vii) establishing the system of maximum interest rates for lending and borrowing operations of the national financial system and other interest rates required by law; (viii) preventing and seeking to eradicate fraudulent practices, including money laundering; and (ix) regulating the constitution, operation and liquidation of funds and trust businesses related to the securities market.

In October 2025, additional reforms were implemented to the Monetary and Financial Code aimed at strengthening the governance, autonomy and technical capacity of the Central Bank and the monetary and financial policy framework. These reforms established the Financial and Monetary Policy and Regulation Board as the highest governing body responsible for monetary and financial policy, clarified its composition and granted jurisdiction of the National Court of Justice to its members, the General Manager of the Central Bank and certain officials involved in monetary supervision and the national payment system. The Central Bank was formally designated as the Technical Secretariat of the Financial Policy and Regulation Board, with defined technical advisory functions, and it was expressly clarified that the Central Bank does not perform public banking activities.

The reforms also introduced adjustments to the reserve backing rule, established a clearer procedure for approval of the Central Bank's budget by eliminating the requirement of a prior opinion from the Ministry of Economy and Finance, and expanded the Central Bank's functions to include the preparation of technical reports supporting policy proposals before the Board. In addition, the special procurement regime of the Central Bank was broadened to cover activities related to monetary education, financial inclusion, external asset and liability management and the administration of international reserves and monetary gold. The Central Bank was further authorized to contract contingent liquidity lines on its own account, subject to approval by the Board and excluded from public indebtedness, and changes were made to audit governance, payment systems regulation and the treatment of electronic payment entities. Collectively, these reforms are intended to reinforce dollarization, enhance institutional independence, improve financial stability and modernize the monetary and payments infrastructure.

Organic Law for the Reactivation of the Economy, Strengthening of Dollarization and Modernization of Financial Management

In November 2017, the National Assembly approved the Organic Law for the Reactivation of the Economy, Strengthening of Dollarization and Modernization of Financial Management. In December 2017, the law became effective after undergoing certain amendments. Some of the main provisions of this law include:

- tax incentive measures intended to benefit microenterprises, small businesses, cooperatives, and associations;
- an increase of 3% to the corporate income tax, with corporations that were subject to a 22% tax rate subject to a 25% tax rate;
- a provision requiring that electronic means of payment be managed by entities of the private financial system with the objective of effectively substituting physical money;
- the elimination of income tax for the first U.S.$11,290 of the income of small enterprises;
- the elimination of income tax for new microenterprises for the first three years from the date they begin generating operating income;
- the elimination of the land tax;
- the simplification of the procedure to domicile foreign companies to Ecuador; and

- an extension of the prohibition to execute foreign judgments on property located in Ecuadorian territory when those judgments arise from extrajudicial documents for foreclosures of mortgage loans granted abroad.

Organic Law for Productive Development

In June 2018, the National Assembly approved the Organic Law for Productive Development and, after a Presidential partial veto, it became effective on August 21, 2018. The law aims to provide tax incentives for small- and medium-sized companies and to promote new investments in Ecuador. The law provides for a 12 year income tax exemption (eight years if the investment is in Quito or Guayaquil and 15 years for investments in the industrial and agricultural sectors, including agricultural cooperatives, in the border regions of Ecuador) for new productive investments in priority sectors, such as food production, forestry and agricultural land reforestation (agroforestry), metal-mechanic, petrochemical, pharmaceutical, tourism, renewable energy, foreign trade logistical services, biotechnology and import replacement and export promotion and a 15 year income tax exemption (20 years if the investment is in one of the border regions of Ecuador) for productive investments in the industrial, agricultural and agro-associative sectors and any other basic industries determined by Ecuadorian law in the future. It also provides for remittances of interests, fines and charges over, among other things, declared delayed tax payments, social security contributions and amounts owed to State-owned utilities as well as under student loans and grants. Finally, it provides for a simplified administrative process for social housing projects, which also benefit from the incentives in the law.

The Organic Law for Productive Development also includes other incentives, such as the option for investors to agree to settle disputes with the Republic through national or international arbitration under the United Nations Commission on International Trade Law Arbitration Rules (the "UNCITRAL Rules") before the Permanent Court of Arbitration, under the rules of the International Chamber of Commerce in Paris, or under the rules of Inter American Commercial Arbitration Commission at the choice of the investor, and amends the Civil Procedure Code so that an international arbitration award is enforceable without prior homologation (exequátur). As a result, international arbitral awards are directly enforceable as is the case with domestic awards.

The Organic Law for Productive Development reformed Article 123 of the Public Planning and Finance Code by expressly confirming that a contingent liability may originate from the activities listed below, and that it would be excluded from the calculation of public debt for the period for which it remains contingent. A contingent liability would only be considered public debt, and included in the calculation of total public debt-to-GDP ratio, in such amount and to the extent the obligation become due and payable. A contingent liability may originate when:

- the Central Government issues sovereign guarantees for the benefit of public sector entities that enter into public debt, together with all provisions made for their payment;

- notes linked to duly documented payment obligations are issued;

- guarantee agreements to secure the proper use of non-reimbursable contributions received by any applicable entity are entered into; and

- the public sector incurs contingent liabilities in accordance with applicable law, or other liabilities are incurred within the context of agreements with international credit agencies.

For further information regarding amendments to certain provisions of the Public Planning and Finance Code, see "*Public Debt—General*."

Organic Law of Entrepreneurship and Innovation

In January 2020, the National Assembly approved the *Ley Orgánica de Emprendimiento e Innovación* (the "Organic Law of Entrepreneurship and Innovation"), and after a Presidential partial veto, it was published and became effective in February 2020. The purpose of the Organic Law of Entrepreneurship and Innovation is to establish a regulatory framework that incentivizes entrepreneurship, innovation and technological development. It seeks to promote an entrepreneurial culture by implementing new corporate and financial procedures to strengthen the entrepreneurial ecosystem. The Organic Law of

Entrepreneurship and Innovation established a National Council for Entrepreneurship and Innovation, which is charged with the promotion of entrepreneurship in Ecuador. The law also established the National Registry of Entrepreneurship, which allows persons, both natural and business entities, who have a business that is less than five years old, with fewer than 49 employees and with sales less than U.S.$1 million, to register and have access to financial resources and public funds created by the Organic Law of Entrepreneurship and Innovation.

Organic Law on Humanitarian Aid.

In June 2020, the National Assembly approved the *Ley Orgánica de Apoyo Humanitario para Combatir la Crisis Sanitaria Derivada del COVID 19* ("Organic Law of Humanitarian Support to Combat the Health Crisis Caused by COVID-19" or "Organic Law on Humanitarian Aid"), after a Presidential partial veto, and it was published and became effective on June 22, 2020. The Organic Law on Humanitarian Aid aimed to establish policies to protect the health, safety, education and welfare of the citizens of the Republic and to reactivate the national economy, including, without limitation, the following measures:

- *Public relief measures*: mandating elementary, primary and secondary schools and universities to offer a tuition discount of up to 25% to students who have been economically affected under certain circumstances; prohibiting the expulsion of students that default on the payment of monthly school charges and establishing a government credit facility for those failing to pay for a period of six months; a mandatory 10% increase in the number of grants for universities; a prohibition on forced evictions during the term of the then-existing state of emergency; freezing utility charges; reducing the cost of power for those under the poverty line; preventing healthcare providers from suspending care and preventing health insurance providers from terminating health insurance policies; and expanding the healthcare coverage for certain healthcare plans provided under the social security framework.

- *Access to credit*: requiring national financial institutions to offer loans to the productive sector, which includes the sectors of the economy involved in the production of raw materials and goods, among others, on favorable terms and conditions; and offering tax credits to financial institutions that offer credit alternatives with a term greater than 48 months.

- *Flexibilization of employment rules*: allowing employers to unilaterally modify employment contracts to reduce the length of the work day only if justified under force majeure and allowing for salary adjustments per hours actually worked with a 45% reduction cap and for no more than a year; and creating special rules for vacations.

- *Debt relief*: mandating that the Monetary and Financial Policy and Regulation Board issue a resolution such that during the length of the then-existing state of emergency, financial institutions and other entities providing credit must work with their clients to reschedule the collection of monthly installments.

- *Tenant relief*: suspending evictions of tenants during the then-existing state of emergency and for up to 60 days after its conclusion as long as the tenant pays at least 20% of any outstanding payment.

The Organic Law on Humanitarian Aid mandated certain Government agencies to issue regulation for the application of certain of these measures. The National Assembly approved on June 16, 2022 a bill that repealed almost in its entirety the Organic Law on Humanitarian Aid, however, days later this bill was vetoed by former President Lasso.

Organic Law for the Regulation of Public Finances

In May 2020, the National Assembly approved the Organic Law for the Regulation of Public Finances and, after a Presidential partial veto, it became effective in July 2020. The Organic Law for the Regulation of Public Finances has two sections and a transitional provision. Section I is limited to amendments to the Public Planning and Finance Code and includes 45 articles, and Section II is limited to a single article amending a provision of the *Ley orgánica de ordenamiento territorial, uso y gestión de suelo* (the "Organic Law of Spatial Planning") and applicable ordinances.

This law aims to improve the administration of public finances. It focuses on updates to budgetary ceilings, the predictability of public spending, the establishment of new treasury securities and new tax rules. The amendments to the Public Planning and Finance Code include, without limitation, the following measures:

- limiting the ability of the Ministry of Economy and Finance to increase the State General Budget from 15% to 5% without first following the provisions set forth in the Public Planning and Finance Code;

- providing that the objectives, limits and goals regarding the total fiscal rules of the non-financial public sector and of the State General Budget are calculated, determined, evaluated and updated by the Ministry of Economy and Finance;

- setting a budget spending ceiling for each public entity;

- verifying compliance with these rules with a report with consolidated information. The units that constitute the non-financial public sector will monitor budget execution and adjust public spending to ensure that fiscal objectives and rules are met. The monitoring and evaluation of these reports will fall under the responsibilities of the Ministry of Economy and Finance;

- creating a Fiscal Strengthening and Sustainability Plan if there are breaches of the debt objectives, non-oil primary balances or the rules of permanent expenses (the entity at the cause of, or affected by, the breach must submit such plan);

- releasing to the public the objectives, limits and fiscal goals by ministerial agreement;

- creating the National Committee for Fiscal Coordination tasked with determining, evaluating and updating the sectoral fiscal goals for each level of government. This committee is made up of 11 members representing the President, Ministry of Economy and Finance, Central Bank, Autonomous Decentralized Governments, Public Companies and Social Security, who each have right to be heard and a vote;

- contemplating capital preservation programs of the General State Budget to protect liquidity and increase the wealth, assets (patrimonio) and financial capacity of the State. For the achievement of these programs, a technical report is required to be published confirming that the program is economical and financially viable and that it will generate a socially favorable impact;

- creating the policy of prevention, mitigation and management of fiscal risks each year with coverage of the non-financial public sector. This policy must be prepared by the Ministry of Economy and Finance and be attached to the proforma of the general budget of the State. The purpose of this policy is to mitigate the negative impacts on public finances as a result of unforeseen events and to guarantee the better accomplishment of the fiscal policy put forth by the President. Fiscal risks are defined as unforeseen events that may affect the income and expenses of the State; and

- allocating a maximum of 3% of the total expenditure of the General State Budget to anticipate possible fiscal risks.

The Organic Law for the Regulation of Public Finances makes it a point not to undermine the existing autonomy of the Autonomous Decentralized Governments, the Central Bank and the Bank of the Ecuadorian Social Security Institute ("BIESS"), and of social security entities such as the IESS, the Social Security Institute of the Armed Forces ("ISSFA"), the Social Security Institute of the Police ("ISSPOL"), the Unemployment of the National Police and other similar entities.

The revisions made by the President include setting out a timetable for the gradual decrease of the public debt by imposing transitional debt-to-GDP ratio ceilings starting at 57% by 2025 and reducing it to 45% by 2030 and to 40% by 2032, after which the public debt-to-GDP ratio will be required by law to be kept at or below the legal limit of 40%. As of June 30, 2025, Ecuador's current debt-to-GDP ratio is 46.7%, compared to 67.6% for the same period in 2024.

The Organic Law for the Regulation of Public Finances also amended Article 123 of the Public Planning and Finance Code, to, among other things:

- exclude certain transactions and instruments from public debt, including contractual rights linked to ordinary operations that do not require a sovereign guarantee and any security or treasury note with a term of less than 360 days;

- clarify the definition of 'public debt' by tying it to obligations held by entities from the public sector which must be returned to lender and specifying how contingent liabilities arise;

- include debts contracted by IESS, ISSFA or ISSPOL in the definition of public debt; and

- assign during the budgeting process the resources available from the public debt to the projects and programs that meet the established requirements.

In May 2022, following 21 years of accumulated State debt to the Ecuadorian Social Security Institute (IESS) related to the financing of health care benefits, the Ministry of Economy and Finance entered into an agreement with the IESS to formally recognize the outstanding obligations. This agreement included an initial disbursement of US$140 million. By the end of that year, the State disbursed a total of US$201 million in payments

In 2023, the State continued to recognize the outstanding debt and executed an additional payment of U.S.$ 31 million. Subsequently, transfers made in 2024 totaled US$169 million. Finally, in 2025, a new framework agreement was executed, enabling the State to continue recognizing and regularizing the outstanding debt under this concept.

Regarding the budgetary allocations to the IESS for the State's 40 percent contribution to retirement pensions, as well as other related items—including mathematical reserves, Héroes y Heroínas benefits, unpaid household work, youth employment programs, and outstanding obligations from previous years—the allocations amounted to US$2,089.20 million in 2022, US$2,424.26 million in 2023, US$2,828.05 million in 2024, and US$2,841.30 million in 2025.

Based on these budgetary appropriations and subject to fiscal cash availability, the State transferred US$2,199.15 million in 2022, US$1,184.72 million in 2023, US$2,971.00 million in 2024, and US$2.930,60 million in 2025.

Organic Law for Economic Efficiency and Job Creation

Amidst economic challenges faced by Ecuador in mid-to-late 2023, including high public debt, dependence on oil exports, unemployment and underemployment issues, and the need for foreign investment, President Noboa pushed for comprehensive economic reforms with the goal of creating a more dynamic, efficient and attractive economic environment in Ecuador, and to balance fiscal responsibility with incentives for growth. Upon taking office in November 2023, President Noboa's administration drafted a reform package to improve tax collection, encourage investment (especially in tourism and free trade zones), create employment incentives and restructure public debt. Two days after his inauguration, President Noboa submitted this reform package, called the Organic Law for Economic Efficiency and Job Creation (*Ley Orgánica de Eficiencia Económica y Generación de Empleo*), to the National Assembly. The bill was classified as urgent, giving the National Assembly 30 calendar days to process it.

During that time, it underwent debate and modifications (such as removal from the bill of a controversial tax for the sale of commercial properties). In December 2023, the bill became effective. This law is intended to increase state revenue by approximately U.S.$832 million and includes the following reforms:

- At the heart of the reform is a tax amnesty program, offering taxpayers a chance to clear their debts with the IRS by paying only the principal amount within a 150-day window. This amnesty extends to local government debts, traffic-related fines, and even educational loans, providing widespread relief to citizens and businesses. The President's family members and National Assembly members are explicitly excluded from this benefit.

- The law also addresses Ecuador's national debt, allowing the Ministry of Finance to restructure its obligations to the Central Bank of Ecuador. This restructuring extends the payment deadline from 2035 to 2040, with a new 20-year term for U.S.$5.302 billion of debt, set at a 1.3% annual interest rate.

- Large contributors to the tax system face new requirements under this law. The 499 largest taxpayers are required to make monthly advance payments on their income tax, calculated as a percentage of their income.

This percentage is determined by the IRS based on the effective tax rate for each economic sector, ensuring a more consistent flow of tax revenue.

- The law offers tax deductions for companies that generate new jobs. Special incentives are provided for hiring young people aged 18-29, university graduates, and individuals in the construction and agriculture sectors. The law also encourages the employment of individuals who have served prison sentences, promoting social reintegration.

- The law introduces a 0% VAT rate for accommodation services sold to foreign tourists. Additionally, new tourism investments of U.S.$100,000 or more enjoy a seven-year income tax exemption, aiming to attract foreign capital and revitalize the tourism industry.

- a bid to modernize Ecuador's economic zones, the law introduces "free trade zones" to replace the previous Special Development Zones. These new zones offer tax benefits for industrial, service, commercial, and logistics activities, including a 0% income tax rate for the first five years and a reduced 15% rate for a 30- year period thereafter.

- The law also establishes a new regime for public-private partnerships, creating an Inter-institutional Committee to oversee these collaborations while maintaining the existing PPP Secretariat under the President's office. This move aims to facilitate greater private sector involvement in public projects and infrastructure development.

- Other notable aspects of the law include stricter penalties for businesses that fail to issue sales receipts, new regulations for foreign sports betting companies operating in Ecuador, and VAT refunds for real estate projects to stimulate the construction sector. Amendment to the Organic Law for the Integral Planning of the Special Amazonian Territorial Circumscription in Ecuador

The organic reform to the Organic Law for the Integral Planning of the Special Amazonian Territorial Circumscription in Ecuador (*L. O. Reformatoria a la Ley Orgánica para la Planificación Integral de la Circunscripción Territorial Especial Amazónica*) was approved by the National Assembly on March 30, 2023 and sent to the President for review.

The President issued a partial objection, which was then considered by the Assembly on January 23, 2024. The law was ultimately enacted and became effective on January 30, 2024. The Assembly ratified most of the original text, with some exceptions noted as unconstitutional. The law aims to update regulations for the Amazonian region of Ecuador, recognizing it as a special territorial circumscription with unique ecological and cultural characteristics. It emphasizes sustainable development, environmental protection and respect for indigenous rights in the Amazon. The reform addresses issues like contamination from oil exploitation, protection of biodiversity and the need for participatory planning that includes social, economic, environmental and cultural aspects. It also seeks to establish a framework for coherent and coordinated policies between the central Government, local autonomous governments and civil society in the Amazonian region. Anti-Corruption, Anti-Money Laundering and Sanctions-Related Measures in Ecuador Former President Moreno established various anti-corruption measures.

In February 2018, certain amendments to the 2008 Constitution were approved by national popular referendum, including, among others, that those convicted of corruption related offenses should lose their political rights. In March 2018, *Petroecuador and the Unidad de Análisis Financiero y Económico* (the "Financial and Economic Analysis Agency") entered into an inter-institutional agreement to work together in the prevention, detection and eradication of money laundering and financing of crimes within Petroecuador. In June 2018, the Office of the Prosecutor General and the *Servicio Nacional de Contratación Pública* (National Service for Public Procurement) entered into a framework agreement for cooperation between both institutions to allow joint operations in the fight against corruption.

In February 2019, former President Moreno issued Decree 665 creating the *Secretaría Anticorrupción de la Presidencia de la República* (the "Anticorruption Secretariat") tasked with, among other things: (i) setting an agenda for the creation of public policies and actions allowing for whistleblowing on corrupt acts within the administration; (ii) coordinating collaboration between Governmental institutions, courts and entities involved in investigating, trying and penalizing corruption cases; and (iii) articulating with the Ministry of Foreign Affairs and Human Mobility the implementation of existing international agreements on the subject.

In February 2019, former President Moreno announced his plans to form the *Comisión Internacional contra la Corrupción* (the "International Commission against Corruption") with the aim of providing support to Governmental agencies charged with denouncing, investigating and prosecuting acts of corruption in Ecuador. The International Commission against

Corruption is composed of five international experts on corruption and three secretariats with other national and international experts. Members of the International Commission against Corruption are designated by agreement between the Government and the United Nations Office on Drugs and Crime. The International Commission against Corruption was created in May 2019. In February 2019, the CNE partnered with the Financial and Economic Analysis Agency to provide mutual collaboration in, among other things, detecting money laundering and the financing of criminal enterprises. In June 2019, the heads of Ecuador's Office of the Comptroller General and the *Comisión Nacional Anticorrupción* (the "National Anticorruption Commission") signed a two-year collaboration agreement to carry out coordinated efforts to better process corruption complaints and to implement preventive measures, to identify and promote best practices, to enhance communication between both entities in order to develop training programs promoting ethical behavior, and to promote civic involvement throughout Ecuador to increase public accountability. In June 2019, the *Función de Transparencia y Control Social* (the "Transparency Committee"), composed of representatives of 14 Government entities and presided over by the Comptroller General, approved a national plan aimed at building inter-institutional collaboration in the fight against corruption.

In July 2019, former President Moreno issued Decree 828 designating the Anticorruption Secretariat as Ecuador's representative authority under the terms of the Inter-American Convention against Corruption. However, on May 20, 2020, former President Moreno announced the elimination of the Anticorruption Secretariat.

In December 2019, the National Electoral Council approved its report containing the Council's findings on the Bribe 2012-2016 investigation over alleged illicit campaign contributions made to the Alianza PAIS party from 2012 to 2017. In January 2020, at a preliminary hearing, a judge at the National Court of Justice ordered former President Correa, former Vice President Glas, and several former ministers and Government officials to stand trial over their alleged involvement in the Bribe 2012-2016 case. In April 2020, the National Court of Justice sentenced former President Correa in absentia to an eight-year prison term. This sentence was appealed in September 2020 but the National Court of Justice denied the appeal.

In May 2020, former President Moreno issued Decree 1033 establishing a unified method for purchasing medicines and drugs in the public health network. Decree 1033 seeks to address the proliferation of new cases of corruption after a discovery of irregularities in hospitals was made during the COVID-19 pandemic. The decree sets forth that all acquisitions are to be made through an integrated system that combines the inputs required by the Ministry of Health, the Ecuadorian Social Security Institute, the Social Security Institute of the Armed Forces and the Social Security Institute of the National Police.

In May 2020, former President Moreno sent to the National Assembly a project of reforms to the Comprehensive Penal Code in order to strengthen control mechanisms and make sanctions more severe in cases of corruption of public purchases during an emergency. The project proposed that the evasion of legal procedures in public purchases during an emergency could carry jail time of six months and up to 25 years, depending on the size of the purchase.

Under former President Lasso, the Government likewise established several initiatives to fight corruption in Ecuador and commenced investigations into several alleged cases of corruption against current or former public officials of State-owned companies. On his inauguration in May 2021, former President Lasso enacted Decree 4, a 'Code of Ethics' for high-level public officials, setting a higher standard of conduct for his Government. In addition, he sought via referendum to amend the 2008 Constitution to allow the extradition of Ecuadorians involved in transnational organized crime and ensure full independence of the Prosecutor General; however, in February 2023, the majority of the electorate voted against all proposals in the referendum.

In May 2022, former President Lasso established a cabinet-level Secretary of Anticorruption Public Policy by Decree 412, elevating the position from Presidential Advisor. In July 2022, the Lasso Administration introduced the ENA with the goal of generating policies and preventive actions against a wide range of corruption risks that threaten the rule of law and democracy. This strategy was developed based on international instruments signed by Ecuador and with the support of various sectors, including academia, civil society, business and labor unions, as well as international organizations. The ENA focuses on prevention mechanisms and identification of high-risk areas for corruption, establishing nine lines of work ranging from raising awareness about the dimensions of corruption to applying technologies in the fight against corruption. Since its creation, the ENA has evolved and, under President Noboa's administration, it was transformed into the National Public Integrity Policy 2030, established in July 2024, through Decree 337. This new policy maintains much of the original structure of the ENA but has become a mandatory mandate for the executive branch, with eight strategic lines detailing specific problems, causes, and effects. The Secretariat of Public Integrity is now responsible for monitoring this policy.

In April 2023, the Law Amending the Organic Law for the Prevention, Detection and Eradication of the Crime of Asset Laundering and of Financing of Crime, expanding the reporting obligations of certain financial transactions, was enacted. The amendment introduces significant changes to Ecuador's anti-money laundering and counter-terrorism financing framework. It expands the list of obligated entities required to report suspicious transactions to include virtual asset service providers, expanding the scope beyond traditional financial institutions. The law also introduces new reporting requirements for cash transactions exceeding U.S.$10,000 or its equivalent in other currencies, strengthens the role of Ecuador's Financial and Economic Analysis Unit in coordinating national efforts against money laundering and terrorist financing, enhances due diligence procedures, particularly for politically exposed persons, and introduces stricter controls on cross-border transportation of currency and bearer negotiable instruments. Additionally, the law establishes more comprehensive asset recovery mechanisms, reinforces international cooperation in combating financial crimes and updates penalties for non-compliance.

In February 2024, the Organic Law for Savings and Monetization of Economic Resources to Finance the Fight Against Corruption was enacted. It aims to enhance transparency and accountability, particularly concerning economic resources stored in foreign jurisdictions. Throughout the 2024 fiscal year, the tax authority is mandated to implement control plans focusing on assets held in tax havens, preferential tax regimes or jurisdictions with lower taxation. This initiative serves as a proactive measure against tax evasion and aims to recover potentially lost tax revenue to support anti-corruption efforts.

In July 2024, the Organic Law for the Prevention, Detection, and Combating of the Crime of Money Laundering and the Financing of Other Crimes (Ley Orgánica de Prevención, Detección y Combate del Delito de Lavado de Activos y de la Financiación de Otros Delito) was published. This new legislation replaces a previous law from 2016, and aims to establish procedures for preventing, detecting, and combating money laundering, its predicate offenses, terrorist financing, and the financing of the proliferation of weapons of mass destruction. The law introduces significant changes to Ecuador's regulatory framework for combating financial crimes. One of the key innovations of this law is the creation of the National Coordination Council against Money Laundering and its Predicate Offenses, Terrorist Financing, and the Proliferation of Weapons of Mass Destruction (*Consejo Nacional de Coordinación Contra el Lavado de Activos y sus Delitos Precedentes, la Financiación del Terrorismo y de la Proliferación de Armas de Destrucción Masiva*) (CONCLAFT), a collegiate body composed of various public sector entities. The CONCLAFT is tasked with promoting the design of public policies to prevent, detect, and combat these financial crimes. Additionally, the law expands the list of covered subjects required to report to the Financial and Economic Analysis Unit (Unidad de Análisis Financiero y Económico) (UAFE), now including lawyers, accountants, and corporate and trust service providers under certain conditions. The legislation also establishes new responsibilities for covered subjects, including the implementation of due diligence measures for clients and suppliers, and the requirement to report suspicious transactions within five days (extendable by three additional days) of becoming aware of them. Furthermore, the law introduces a new scale of infractions and corresponding sanctions, ranging from fines of 1 to 30 unified basic salaries depending on the severity of the violation. The law provides a transition period, giving covered subjects 360 days to adapt their processes and systems to the new provisions, while the UAFE has 180 days to issue the necessary secondary regulations for the law's application. The law came into full effect on July 29, 2025, with the President of the Republic required to issue the General Regulation within six months of the law's Enactment.

Strategic Sectors of the Economy

The entities responsible for Ecuador's strategic sectors were significantly restructured in 2025 to enhance governance, regulatory clarity, and policy coordination. On August 14, 2025, Executive Decree 94 ordered the merger of the Ministry of Energy and Mines with the Ministry of Environment, Water, and Ecological Transition. As a result, the Ministry of Environment and Energy began operations in September 2025 with five vice ministries: Hydrocarbons; Mines; Electricity and Renewable Energy; Water; and Environment and Coastal Marine Affairs. This restructuring aims to streamline oversight and integrate energy and environmental management under a unified framework.

In addition, pursuant to Executive Decree 60, dated July 24, 2025 and published in Official Registry No. 93 on July 31, 2025, the Secretariat of Public Administration has been instructed to carry out the strategic merger and realignment of several ministries across the central government, as part of a broader administrative efficiency plan aimed at modernizing public administration, eliminating institutional duplication and allocating the resources fo the Republic more efficiently.

The Republic considers the following sectors as the most important sectors of the economy.

Oil Sector

Ecuador's oil reserves are managed directly by the State-owned oil company, Petroecuador, as well through service contracts with other Ecuadorian and foreign companies. Oil exploitation operations are conducted under the supervision and regulation of the Ministry of Environment and Energy through the Agency for the Regulation and Control of Energy and Non-Renewable Natural Resources. The Ministry of Environment and Energy is responsible for the management of non-renewable hydrocarbon resources and undertakes activities such as the administration of oil fields and the executing or modifying of oil field contracts. The Ministry also provides technical, economic and legal support in connection with in service-contract origination and public bidding processes.

Petroecuador is a State-owned company and a legal entity with its own assets and budgetary, financial, economic and administrative autonomy. In November 2012, former President Correa signed Decree 1351-A (the "Consolidation Decree"), which consolidated the operations of Petroecuador and Petroamazonas allocating the exploration and exploitation of hydrocarbon resources to Petroamazonas and transportation, refining and commercialization activities to Petroecuador. Prior to the consolidation, Petroamazonas was also a State-owned company with full administrative and financial autonomy.

As part of a broader plan to optimize public sector administration, a committee was formed consisting ofthe Public Companies Coordinator Company, the General Secretariat of the Presidency, the National Secretariat for Planning and Development and the Ministry of Energy and Mines, together with technical teams from Petroecuador and Petroamazonas, to oversee the merger process. In furtherance of this process, n April 2019, former President Moreno issued Decree 723 ordering the merger of Petroecuador and Petroamazonas into a single public company and creating the *Unidad Temporal de Fusión* (the "Temporary Merger Unit"), a unit within Petroamazonas charged with managing the merger under the supervision of the Ministry of Energy and Mines. Decree 723 also set December 31, 2020 as the deadline for completion of the merger. In May 2020, as a result of the economic environment resulting from the COVID-19 and the decline in international oil prices, the Ministry of Energy and Mines announced that it was reconsidering the original merger strategy with the view of simplifying the final management structure of the resulting company after the merger. In January 2021, former President Moreno issued Decree 1221 setting forth the merger between Petroamazonas EP and EP Petroecuador, following which Petroecuador became responsible for the management of the strategic sector of non-renewable resources, taking part in all phases of Ecuador's hydrocarbon activity. Since the merger, Petroecuador is the public company in charge of crude oil production for the State, and now manages a total of 26 blocks, with a total production of 392,046 barrels per day ("bpd") for the period from January to September 2024, compared to 391,724 bpd for 2023, in each case including both crude oil and gas equivalents and accounting for approximately 80% of Ecuador's total production.

To increase transparency in Petroecuador's accounts, the Government committed, beginning in August 2022 and within the framework of its program with the IMF (see further "*Public Debt*"), to commission an external audit of Petroecuador's financial statements for 2019, 2020 and 2021 by an independent international audit firm, and invited the 'big four' audit firms to submit tenders. Although the process—financed with an IDB loan—initially drew no bids, by June 2022, the authorities had agreed on the terms of reference and timeline for completing the independent audits of the 2019 and 2020 financial statements of Petroecuador and Petroamazonas, as well as the 2021 financial audit of the merged Petroecuador. In January 2024, the Government engaged Moore & Asociados Cía. Ltda. to carry out these audits. The audit reports for the 2019, 2020 and 2021 financial statements were delivered on November 11, 2024, January 5, 2025 and July 7, 2025, respectively, and each contained an abstention of opinion, which means that the auditor was unable to obtain sufficient information to determine whether the financial statements were reliable.

Continuing its transparency efforts, the Government launched a public tender to audit Petroecuador's financial statements for the 2022–2024 period. On December 3, 2025, the technical evaluation committee recommended declaring the procurement process void due to bidders' failure to meet the minimum requirements relating to key technical personnel. Petroecuador subsequently initiated the preparatory phase of a new procurement process on December 15, 2025, which, according to information provided by the Sub-Directorate of Finance, is expected to run through January 31, 2026.

In parallel with these transparency and oversight measures, the Government also advanced broader institutional reforms in the energy and natural-resources sector. Executive Decree 256, issued by President Daniel Noboa on May 8, 2024, formally dissolved the Agencia de Regulación y Control de Energía y Recursos Naturales no Renovables ("ARCERNNR") and established three specialized regulatory bodies in its place: Agencia de Regulación y Control Minero ("ARCOM"), Agencia de Regulación y Control de Electricidad ("ARCONEL") and Agencia de Regulación y Control de Hidrocarburos ("ARCH"). The purpose of the restructuring was to strengthen regulatory capacity by allocating responsibilities along sector-specific lines. By separating ARCERNNR's broad mandate into more focused institutions, the reform sought to enhance technical specialization, improve regulatory efficiency, eliminate institutional bottlenecks, and promote more agile, transparent, and effective decision-making. The split also aimed to align Ecuador's regulatory framework with international

best practices, reinforce accountability, and create clearer institutional pathways to support investment, operational reliability, and long-term planning in the energy and natural resources sectors.

Exploitation

Under the 2008 Constitution, all subsurface natural resources are the property of the Republic, and in the case of petroleum, pursuant to Decree 1221, its exploitation is undertaken directly by Petroecuador. The 2008 Constitution, however, permits the Government to contract with the private sector for the development of these natural resources.

The 2008 Constitution, the *Ley de Hidrocarburos* (the "Hydrocarbons Law"), the Consolidation Decree, Decree 315 and Decree 1221 set out certain reforms to define the public sector oil entities' functions as follows:

- the Ministry of Energy and Mines implements the hydrocarbon policies defined by the President and conducts the public tender process for specific service contracts to develop oil fields, and executes and administers such contracts;

- the Agency for Regulation and Control of Energy and Non-Renewable Natural Resources controls and oversees hydrocarbon activity in all its phases; and

- Petroecuador is involved in the exploration and production of hydrocarbon, refining, and industrialization of hydrocarbon activities, as well as their internal and external marketing.

Under the above framework, Ecuador allows foreign investment in its hydrocarbon resources, which, under the 2008 Constitution and Hydrocarbons Law are exclusively owned by the State. In November 2010, the Government completed its contract renegotiations with foreign oil companies under the Hydrocarbons Law, which replaced production-sharing agreements for private companies with a fixed per-barrel rate for their exploration and production activities.

The Organic Law for Economic Development and Fiscal Sustainability enacted after the COVID-19 pandemic introduced significant changes to Ecuador's hydrocarbons framework by modifying the Hydrocarbons Law. The reform eliminated the use of association contracts and marginal field contracts, instead reinforcing a model centered on participation agreements, service-provision contracts for exploration and/or exploitation, and other forms of delegation already recognized under Ecuadorian legislation or commonly used in the international hydrocarbons industry. In parallel, the law introduced targeted tax adjustments to support economic recovery, including applying a 0% VAT rate to certain essential goods such as medical supplies, masks, oximeters, sanitary products, and hydrocarbon derivatives, thereby reducing costs for both consumers and industrial operators during the post-pandemic period.. In October 2022, the Constitutional Court declared certain aspects of the reform to the Hydrocarbons Law partially unconstitutional; however, the provisions relating to the exoneration of foreign trade taxes on the import of fuels, oil derivatives, bio-fuels, and natural gas were not affected by the ruling and remain in force.

Production

Petroleum Production

	For the year ended December 31,			For the eleven months ended November 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(in thousands of barrels per year)				
Petroleum [(1)]	481	475	475	474	469
Public companies [(2)]	136,926	141,137	141,137	139,654	116,044
Other operators	38,627	32,338	32,338	34,300	30,305
Total	**175,553**	**173,475**	**173,475**	**173,954**	**146,350**
Natural Gas Production	2,737	3,124	3,124	3,412	3,111

Source: Based on figures from the Central Bank, No. 2070 Monthly Bulletin, Domestic Production of Crude Oil and its Derivatives (Table 4.1.1).
(1) Petroleum information is displayed in thousands of bpd.
(2) Public company numbers include the production of Rio Napo.

All of Ecuador's oil blocks are located onshore. The most productive oil blocks are located in the northeastern part of Ecuador, with Sacha and Auca as two of the oldest and most productive fields. Crude oil production has increased in the last ten years with the opening of the OCP (see "*Transportation*"), which removed a chokepoint on heavy crude oil transportation in Ecuador. Production in existing fields has levelled off in recent years as a result of the natural decline in the productivity of existing blocks, particularly older blocks such as Shushufindi, which has been in operation for over forty years.

In May 2018, Petroamazonas started the public procurement of the "Oil & Gas" round for the awarding of specific performance contracts for the exploitation of the crude fields of Cuyabeno-Sansahuari, Yuralpa, Oso and Blanca-Vitina, and the gas field of Amistad, as a result of which four service contracts, with a WTI-indexed tariff and a term of ten years, were entered into for the exploitation of the crude fields of Cuyabeno-Sansahuari, Yuralpa, Oso and Blanca-Vitina.

In January 2019, Petroamazonas endorsed the World Bank's "Zero Routine Flaring by 2030" initiative whereby it committed to incorporate sustainable utilization or conservation of its oil fields associated gas without routine flaring, and to implement economically viable solutions to eliminate this practice as soon as possible, and by no later than 2030. Despite these efforts, the flaring practice continues in Ecuador. In June 2024, indigenous and environmental groups in Ecuador staged protests against Petroecuador's gas flaring practices. The demonstrators argued that these activities contribute to environmental degradation and pose health risks to local communities.

On May 22, 2019, as part of the XII Interfields Oil Round, the Government, acting through the MEM, entered into seven participation agreements for the exploration and exploitation of seven new oil blocks in the Sucumbíos province: Arazá Este, Iguana, Perico, Espejo, Sahino, Charapa and Chanangue, with the following companies: Petróleos Sudamericanos del Ecuador Petrolamerec S.A. (two agreements), Gran Tierra Energy Colombia LLC (three agreements) and the consortium formed by Frontera Energy Colombia Corp. and Geopark Perú S.A.C. (two agreements). The Government estimated that these agreements would result in a total U.S.$1.17 billion investment by those companies through 2023. By December 2022, these blocks collectively contributed over 5,000 barrels of crude oil per day to the national production. By September 2024, during the testing phase, the average contribution increased to approximately 9,600 barrels per day.

On March 6, 2020, Petroamazonas entered into a contract worth approximately U.S.$148 million with Chuanqing Drilling Engineering Company Limited for the drilling and completion of 24 new oil wells in the province of Orellana, Ecuador. The initiative aimed to boost oil production by approximately 7,500 barrels per day.

In 2021, State-owned companies were responsible for 78.8% of oil production, compared to 79.6% in 2020. This decrease was principally due to: (i) a stoppage in the vicinity of the Edén Yuturi – Block 12 field near the Kichwa El Edén community; (ii) a short circuit in the CELEC generation plant, which forced the stoppage of crude oil extraction in several wells belonging to the Tambococha and Tupitini fields; and (iii) the suspension of transportation of the Ecuador's two major oil pipelines, SOTE and OCP, due to the risk faced by the oil infrastructure as a result of the advance of erosion in the Piedra Fina river in the province of Napo.

In June 2022, oil production was impacted by a national strike called by CONAIE, which forced the suspension of Petroecuador's operations as the facilities did not have optimal or adequate technical or security coverage. On June 19, 2022, the Minister of Energy and Mines declared a force majeure event for all exploration and exploitation operators after protestors entered oil fields. This force majeure declaration was lifted on July 12, 2022 and the national strike ended when the Government signed the Agreement for Peace (see "*Summary Information and Recent Developments*" above).

In October 2022, the Government launched the 'Intracampos II Round' with the objective of attracting U.S.$2,000 million for the exploration and operational stages of six hydrocarbon blocks: Tamya, Saywa, Tetete Sur, Lumbaqui, VHR Este and VHR Oeste, in the province of Sucumbíos. It is estimated that with the award of the six blocks an additional 18,000 to 24,000 bpd of oil can be obtained. By May 2024, Ecuador secured approximately U.S.$333 million in private investment for the operation of three blocks: Saywa, VHR Este, and VHR Oeste. The companies involved include PCR – Ecuador and Petrobell S.A.

In December 2022, Repsol's contractual rights to explore and conduct production activities in Blocks 16 and expired. In January 2023, Petroecuador took over Repsol's operation in Blocks 16 and 67, which have a combined daily production of

13,533 bpd. Both blocks are in the Amazonian province of Orellana (east) and occupy part of the Yasuni National Park, a world biosphere reserve and home to indigenous communities.

On February 23, 2023, the Ministry of Energy and Mines (through Resolution No. MEM-VH-2023-0006-RM) declared a state of force majeure for activities involving the exploration, exploitation and transportation of hydrocarbons following the closure of the SOTE, OCP and Shushufindi Quito polyduct systems after a bridge collapsed near the pipelines in the Napo province. This force majeure was lifted in March 2023.

On March 19, 2023, Petroecuador declared a force majeure over operations in Block 12 (Orellana province) in the Eden Yuturi field following disruption related to protests in the area by the Kichwa indigenous community. This force majeure was lifted in April 2023 following an agreement reached between Petroecuador and the Kichwa indigenous community.

On March 21, 2023, Petroecuador declared a force majeure over three oil blocks (Block 16-67, Block 43- ITT (Ishpingo, Tiputini, and Tambococha) and Block 61) located in the Orellana province following protests from local communities which impeded the normal functioning of hydrocarbon activities in those oil blocks. In March 2023, Petroecuador announced that Block 61 and Block 43-ITT would resume normal operations. In April 2023, Peroecuador announced that an agreement had been reached with local communities resulting in the lifting of the force majeure over oil Blocks 16-67 and 61.

In 2023, Block 43, which includes the ITT fields recorded oil production of approximately 54,466 bpd compared to 50,613 bpd in 2022. This figure reflects adjustments in production levels, including a decline in Tambococha and Tiputini output, but a significant increase in the Ishipingu output. Despite fluctuations, the overall production remained strong, making it a significant contributor to Ecuador's oil output. For the eight months ended on August 31, 2024, Block 43's production was recorded at about 49,806 bpd, compared to 53,576 bpd during the same period in 2023.

The Ishpingo field maintained its high production levels with a significant increase from 2023, but Tambococha's and Tiputini's output decreased in 2024.

In March 2024, operations at the OCP pipeline were halted following a leak detected in the system in the Napo province. This pipeline is crucial for transporting crude oil from the Amazon region to the Pacific coast and is a significant source of revenue for the country. The leak raised environmental concerns and highlighted vulnerabilities within Ecuador's oil infrastructure. Authorities initiated investigations and repair work to address the situation and prevent further economic impact. In July 2025, OCP announced the resumption of crude oil transportation through the OCP pipeline following the successful completion of remediation works in Napo Province. On July 23, 2025, transportation resumed after construction of a second bypass at kilometer point 100, located in the parish of Gonzalo Díaz de Pineda, canton of El Chaco, and the satisfactory completion of the required technical and safety tests.

In March 2024, Petroecuador began a relocating project for two LPG storage tanks. Initially built in Cuenca, these storage tanks will be moved to Chorrillos. The structures, which are part of the Pascual – Cuenca pipeline in Azuay, stopped working in 2018 when the soil of the field where they were constructed began sinking. The project is expected to cost U.S.$20.6 million and to be executed within 510 days. Once the relocation is completed, both tanks will collectively store up to 6,400 metric tons of LPG.

In August 2024, Ecuador began shutting down oil drilling operations in the Yasuní National Park, a biodiversity hotspot in the Amazon rainforest. This action followed a landmark referendum held in August 2023, where nearly 60% voted to halt oil extraction in the biodiverse Amazon region, which includes Yasuní National Park's ITT block.

Petroecuador initiated the dismantling of infrastructure, starting with the closure of the Ishpingo B-56 well. On August 21, 2024, the Government submitted to the Constitutional Court a progressive exit plan for the closure of the ITT oil block, which contains 248 wells and may pose environmental risks. According to this plan, the closure is expected to take approximately five years. In August 2024, the Committee reviewed a report detailing the environmental and economic impacts of early closure, estimating that a phased production reduction over five years (2024–2029) would result in a revenue loss of approximately U.S.$2.0 billion of investments, plus U.S.$251 million in social compensations, with an additional U.S.$1.3 billion required through 2034 for well closures and facility dismantling. Since the referendum, Ecuador has not entered into new contracts for further oil extraction in the ITT block.

Petroecuador's Strategic Investments and Production Enhancement

Drilling Campaigns in Oriente

Petroecuador has launched an ambitious drilling program in the Oriente Basin to boost national oil output. Three contracts have already been awarded, covering the drilling of 36 wells with seven rigs at a total investment of approximately U.S.$227.5 million. Rig mobilization is scheduled to begin on January 15, 2026, with production expected to come online by late February 2026. In addition, two further drilling contracts will be tendered in January 2026, targeting 24 wells with four rigs and an estimated investment of U.S.$160 million.

Well Workover and Reactivation

To restore production from inactive wells in the Oriente Basin, Petroecuador will extend three existing workover contracts and deploy seven additional rigs. This initiative aims to reactivate approximately 200 wells that were shut down due to recent environmental events. The program, budgeted at U.S.$25 million for a one-year term, is expected to raise output to a peak of approximately 390,000 barrels per day.

Contractual Modifications for Key Blocks

Petroecuador is advancing contractual amendments across several strategic blocks to secure long-term production growth. For Block 52 (Ocano Peña Blanca), an amended contract is expected to be executed in the first quarter of 2026, the term of the contract will extend until 2040, adding an estimated 3.1 million barrels of incremental production with investments of U.S.$49.3 million. Similarly, Block 54 (Eno Ron) will extend to 2040, targeting 5.1 million barrels and U.S.$63.4 million in investments. Block 65 (Pindo) will be extended to 2037, with an incremental production estimate of 3.2 million barrels and investments of U.S.$70 million. Additionally, modifications for Block 14 (Nantu) and Block 17 (Hormiguero) are scheduled for signing on December 22, 2025. Block 14 anticipates 8 million barrels of incremental production with U.S.$35 million in investments, while Block 17 targets 13.2 million barrels supported by U.S.$51 million in capital commitments.

Exploration and Licensing Initiatives

Petroecuador continues to expand its upstream portfolio through new exploration projects. For Block 94 (Tamya), the award process is underway, with contract signing expected by the first quarter of 2026. The 24-year term includes a peak production forecast of 3,900 barrels per day and an exploratory investment of U.S.$49.3 million.

In addition, the Intracampos III Licensing Round—the 14th round—encompasses multiple blocks with a combined exploratory investment of U.S.$359 million and peak production potential of up to 12,000 barrels per day. Key milestones include the publication of qualified companies on February 18, 2026, bid submission on March 12, 2026, award announcements on July 24, 2026, and contract execution on August 28, 2026.

Exports

In 2018, Petroecuador reached an agreement with Petrochina, Unipec, PTT Public Company Limited and PTT International in order to amend each crude oil supply agreement between Petroecuador and each of these companies. The amendments became effective as of May 1, 2018. In September 2022, Petroecuador, Petrochina and Unipec renegotiated long-term export sales of crude oil by the Ecuadorian State-oil company PetroEcuador to Chinese oil companies PetroChina and Unipec, and entered into three new contracts extending the term of at least 192 cargoes until 2027, a new agreement with a market price and releasing crude oil for "spot" sale.

In 2021, 84.6% of the value of oil exports was crude oil and 15.4% was oil byproducts. In 2022, 86.6% of the value of oil exports was crude and 13.4% oil byproducts. In 2023, 87.4% of the value of oil exports was crude and 12.6% oil byproducts. In 2024, 90.3% of the value of oil exports was crude oil and 9.7% oil byproducts. As of June 30, 2025, 92.3% of the value of oil exports was crude oil and 7.7% oil byproducts.

In 2022, 87% of oil exports were exported to the United States, Panama and Chile (40%, 39% and 8%, respectively).

In 2023, 89% of oil exports were exported to Panama, the United States and Chile (49%, 33% and 6.6%, respectively).

In 2024, approximately 91% of oil exports were destined for Panama, the United States and Chile, representing approximately 68%, 18% and 5%, respectively, of total oil exports for the year.

As of November 30, 2025, approximately 92% of oil exports were destined for Panama, Peru and Chile, representing approximately 85%, 6% and 5%, respectively, of total oil exports.

In 2022, crude oil exports totaled U.S.$10,034 million, a 37.87% increase from U.S.$7,278 million in 2021. This increase was due to an increase in the average international price of petroleum per barrel from U.S.$61.97 in 2021 to U.S.$85.84 in 2022, despite a decrease in export volume of 117.5 million barrels in 2021 to 116.6 million barrels in 2022.

In 2023, crude oil exports totaled U.S.$7,823 million, a decrease of 22% compared to U.S.$10,034 million in 2022. This decrease was due a decrease in the average international price of petroleum per barrel from U.S.$85.84 in 2022 to U.S.$68.01 in 2023 and a decrease in export volume from 116.6 million barrels in 2022 to 115.03 million barrels in 2023.

In 2024, crude oil exports totaled U.S.$8,646.5 million, an increase of 10.52% compared to U.S.$7,824 million in 2023. This increase was due to an increase in export volume from 115.03 million barrels in 2023 to 126.31 million barrels in 2024 and partially offset by a decrease in the average international price of petroleum per barrel from U.S.$77.58 in 2023 to U.S.$76.63 in 2024 and.

As of September 30, 2025, crude oil exports totaled U.S.$5,777.7 million, a decrease of 18.7% compared to U.S.$ 7,102.3 million in the same period in 2024. This change was primarily due to a lower international crude price, a decline in production, and the temporary suspension of crude transportation

Transportation

Ecuador has two major oil pipelines, the SOTE and the OCP. Most of Ecuador's crude oil production is transported through the SOTE, which links Lago Agrio in the Oriente region to the Balao export terminal on the Pacific coast and has a capacity of approximately 360,000 bpd. Crude oil production has increased in the last ten years with the opening of the OCP, which removed a chokepoint on heavy crude oil transportation in Ecuador. In 2022, the SOTE transported 116.5 million barrels and the OCP transported 55.0 million barrels. In 2023, the SOTE transported 109.2 million barrels and the OCP transported 57.8 million barrels. In 2024, the SOTE transported 113.9 million barrels, and the OCP transported 68.3 million barrels. As of November 30, 2025, the SOTE transported 96.4 million barrels and the OCP transported 58.9 million barrels.

In June 2001, Ecuador awarded the construction and operation contract for its second pipeline, the OCP heavy crude oil pipeline, to Oleoducto de Crudos Pesados Ecuador S.A., a consortium of domestic and foreign oil companies, which at the time had seven members: Occidental Petroleum Corporation, Alberta Energy Corp., Kerr McGee Corporation, Agip S.p.A. – Eni S.p.A., Pérez Companc .S.A., Repsol YPF S.A., as well as the construction firm Techint Engineering & Construction (at the time owner of Tecpetrol operating the Bermejo block in the Amazon region and which is crossed by OCP). In August 2024, Pampa became the owner of 100% of the shares of Oleoducto de Crudos Pesados Ecuador S.A. The OCP was constructed at a cost of U.S.$1.4 billion, all of which was paid by the consortium. Construction was completed in September 2003, and operations began the same month.

The contract for the operation of the OCP had a duration of twenty years and was due to expire in January 2024, at which time the OCP would become state property. The contract did not expire upon reaching its expiration date due to several extensions. In January 2024, the Government extended the contract's transfer date and duration for the construction and operation of the OCP pipeline until July 31, 2024. Subsequently, on July 29, 2024, the Government further extended the end date 19 days through August 19, 2024. On August 6, 2024, the consortium submitted a proposal for extension of the OCP pipeline operation contract, which included a 10-year extension from the original contract termination date, a commitment to invest approximately U.S.$120 million in constructing a new pipeline variant, an additional estimated U.S.$100 million for maintenance tasks over the 10-year period, a preliminary 10-year work program including evaluations of maritime monobuoys and storage tanks, control system updates, SCADA systems and major maintenance of rotating equipment. On August 26, 2024, the Ministry of Energy and Mines and the consortium signed a public deed extending the contract until the earlier of November 30, 2024, or the execution of its definitive extension, giving the Government time to analyze the proposal and obtain a risk assessment from the Ministry of Economy and Finance.

However, on October 28, 2024, the Government announced its decision not to extend the OCP contract citing that both the contract and Ecuadorian law precluded the extension and require, instead, that ownership and operations of the

pipeline must be transferred to Ecuador. The Government announced that the transfer would take place on November 30, 2024. Following this announcement, the Government completed the transfer of the OCP pipeline to state ownership as scheduled, and Ecuador assumed operations. Since the transfer, the Government has indicated that the OCP will be integrated into the state-managed hydrocarbons transportation system, alongside the SOTE pipeline, while continuing to face operational challenges related to erosion risks, extreme weather events, and infrastructure resilience, which have prompted ongoing discussions regarding future investment and mitigation measures. In July 2025, both the OCP and SOTE pipelines experienced temporary shutdowns due to severe erosion and weather events; after the construction of emergency bypasses, OCP resumed operations on July 23, 2025, and SOTE on July 25, 2025, allowing oil transport and exports to return to normal levels.

The Ministry of Energy and Mines oversaw the construction of the OCP, and now oversees its operation. The OCP is made up of two sections, the largest of which was designed to transport a maximum of 517,300 bpd and has a sustainable transportation rate of 450,000 bpd of crude oil of 18º to 24º American Petroleum Institute degrees.

On November 30, 2024, the Republic received 100% of the shares of OCP, making the Republic de sole shareholder, while the administration continued to be carried out by OCP Ecuador S.A. following the expiration of the concession contract. The transition, carried out by the Ministry of Energy and Mines, was intended to ensure continuity of crude transport operations while the Government prepared an international tender for a new concession, and reflected broader efforts to strengthen oversight of strategic energy infrastructure in the context of heightened climate-related risks.

In 2024, operations along Ecuador's principal crude oil transportation systems continued to face significant challenges associated with erosion along the Coca River. On June 17, 2024, OCP was forced to suspend operations due to erosion concerns following heavy rainfall and rising river levels. Operations resumed on July 3, 2024, after a 16-day interruption, resulting in estimated economic losses of approximately U.S.$6.5 million per day, or approximately U.S.$104 million in aggregate (equivalent to approximately 0.1% of Ecuador's GDP in 2023). In response to this event, both OCP and the Sistema de Oleoducto Transecuatoriano ("SOTE") announced plans to construct pipeline variants and implement mitigation measures aimed at reducing long-term exposure to erosion and extreme weather risks.

In 2025, Ecuador's crude oil transportation system continued to experience disruptions driven by environmental and geotechnical events. On July 2, 2025, the Ministry of Energy and Mines (now the Ministry of Energy and Environment), pursuant to Resolution MEM-VH-2025-011-RM, declared force majeure over the operations of both SOTE and OCP following notification from Petroecuador that ongoing erosion along the Coca River continued to threaten pipeline integrity. Although temporary bypass routes were constructed to stabilize affected sections, additional events impacted operations. Pumping capacity at OCP was restored on July 23, 2025, and SOTE resumed operations on July 26, 2025, allowing crude oil transportation to normalize after the temporary suspension.

Further disruptions occurred later in 2025. On October 23, 2025, the Government declared an emergency for the SOTE due to increased volcanic activity from Reventador, initially for a period of up to 60 days. On December 12, 2025, this emergency was extended for an additional 240 days (through August 23, 2026) to allow sufficient time for the construction of required pipeline variants. During 2025, three additional unplanned operational stoppages occurred due to environmental causes, including pipeline ruptures at km 438+384 and km 86, an incident at the Esmeraldas Refinery, and pipe exposure at km 102, resulting in a cumulative total of 23 days of interrupted operations.

These disruptions led to an estimated 4.93 million barrels of crude oil not being exported, with a corresponding estimated revenue impact of approximately U.S.$286 million, based on the weighted average crude oil price in July 2025, when the most significant interruption occurred. Export cargoes were subsequently rescheduled in later months in order to meet contractual obligations.

Throughout these interruptions, both public and private operators continued investment and maintenance activities aimed at sustaining and increasing production capacity, including well drilling and workovers, facility and surface-equipment maintenance, duct and flowline repairs, and pressure restoration testing in temporarily shut-in wells. Pipeline utilization declined as a result of the disruptions, with SOTE operating at approximately 79% of installed capacity in 2024, compared to approximately 68% through September 2025, while OCP operated at approximately 44% of installed capacity in 2024 and approximately 32% through September 2025.

To mitigate future risks, Ecuador strengthened inter-institutional coordination to address the ongoing phenomenon of regressive erosion. In September 2025, CELEC EP, the Ministry of Infrastructure and Transport, OCP Ecuador S.A. and Petroecuador entered into an Inter-Institutional Cooperation Agreement to coordinate the preservation, rehabilitation and

protection of critical public infrastructure. In December 2025, Petroecuador and OCP Ecuador S.A. executed Agreement No. 20251145, establishing joint responsibilities and enabling shared use of rights-of-way and existing environmental authorizations for the construction of Bypass 4 and Variant 10, works that are currently underway.

In July 2024, Ecuador and Peru announced a joint initiative to explore the integration of their oil infrastructure, including the potential sharing of pipelines and refinery assets. In September 2025, the two countries reiterated their intention to deepen cooperation in the hydrocarbons sector through a proposed memorandum of understanding focused on integrating oil transportation infrastructure, including the possible use of Peru's underutilized Norperuano pipeline to transport Ecuadorian crude oil. Under this preliminary framework, Ecuador—whose oil production faces transportation constraints, particularly in the southern Amazon region—would potentially pay transit fees to utilize Peru's approximately 1,106-kilometer pipeline system, which runs from the Ecuadorian border across northern Peru to the Bayóvar port and has significant spare capacity. Such an arrangement could help alleviate logistical bottlenecks for Ecuador while generating additional revenue for Peru.

This cooperation was subsequently formalized on December 16, 2025, when Ecuador's Ministry of Environment and Energy and Peru's Ministry of Energy and Mines signed a Memorandum of Understanding during the XVI Ecuador-Peru Presidential Meeting and Binational Cabinet, held in Quito on December 12, 2025. The Memorandum of Understanding establishes a framework for cooperation in strategic, regulatory, environmental, institutional and infrastructure-related matters in the hydrocarbons sector, as well as for technical cooperation in border areas. The agreement reflects the commitment of both countries to advance energy integration and to jointly assess the technical, regulatory and commercial conditions required for the potential use of shared oil transportation infrastructure.

Refining

Following Decree 1221, Petroecuador is the only company that conducts refining activities in Ecuador. Petroecuador owns three refineries in Ecuador (Esmeraldas, La Libertad and Shushufindi) with processing capabilities of 110,000, 45,000 and 20,000 bpd, respectively. Petroecuador also owns one associated gas processing plant (Shushufindi), which has a processing capacity of 637.8 million barrels of LPG and average production of 1,747.6 bpd.

In March 2019, the Minister of Energy and Mines announced that Ecuador would launch an international bid for an estimated U.S.$6,500 million investment in building and operating a new refinery capable of handling up to 300,000 bpd, the location of which was to be determined. The bid would also include a concession to improve the facilities in the Esmeraldas refinery. In August 2019, the Ministry of Energy and Mines made a public call for potential investors to express their interest in designing, building and operating the new refinery. In March 2020, a public bid for the concession of the projects was launched and subsequently suspended as a result of the COVID-19 crisis. In May 2024, through Ministerial Resolution No. MEM-2024-0004-RM, the public tender was declared void. The resolution instructed the Manager of Petroecuador and the Vice Ministry of Hydrocarbons to review and update the pre- contractual documents for the initiation of a new process within 90 days and to present a report recommending the start of a new bidding process once the pre-contractual documents were reviewed and updated. As of the date of this Offering Circular, Petroecuador is expected to engage a technical consultancy to update the technical bases for the rehabilitation and repowering of the Esmeraldas refinery.

In 2021, Petroecuador's oil-derivatives production amounted to 75.5 million barrels, including gasoline, diesel, fuel oil, jet fuel, LPG and fuel blends in terminals, which represented an increase of 25.2% compared to the 60.3 million barrels of oil derivatives produced in 2020. This increase was mainly due to economic activity recovery after the COVID-19 lockdown. In 2022, Petroecuador's production of petroleum derivatives amounted to 78.4 million barrels, including gasoline, diesel, fuel oil, jet fuel, LPG and fuel mixtures in terminals, representing an increase of 3.8% compared to the 75.5 million barrels of petroleum derivatives produced in 2021. In 2023, Petroecuador's production of petroleum derivatives amounted to 76.4 million barrels, including gasoline, diesel, fuel oil, jet fuel, LPG and fuel mixtures in terminals, representing a decrease of 2.5% compared to the 78.4 million barrels of petroleum derivatives produced in 2022. In 2024, Petroecuador's production of petroleum derivatives amounted to 69.5 million barrels, including gasoline, diesel, fuel oil, jet fuel, liquefied petroleum gas and fuel mixtures in terminals, representing a decrease of 9.0% compared to 76.4 million barrels of petroleum derivatives produced in 2023. For the first eleven months of 2025, Petroecuador's production of petroleum derivatives amounted to 58.0 million barrels, including gasoline, diesel, fuel oil, jet fuel, liquefied petroleum gas and fuel mixtures in terminals, representing a decrease of 9.7% compared to 64.2 million barrels of petroleum derivatives produced during the same period in 2024.

During 2022, the domestic consumption of petroleum derivatives was 99 million barrels, a 9.14% increase compared to 90.7 million barrels during 2021. In 2023, the domestic consumption of petroleum derivatives was 104.1 million barrels, a

5.12% increase compared to 99 million barrels during 2022. In 2024, the domestic consumption of petroleum derivatives was 107.0 million barrels, representing an increase of 2.8% compared to 104.1 million barrels in 2023.

For the first eleven months of 2025, the domestic consumption of petroleum derivatives was 96.0 million barrels, representing adecrease of 1.3% compared to 97.3 million barrels during the same period in 2024.

Esmeraldas' production of oil derivatives increased from 99,336 average bpd in 2021 to 106,191 average bpd in 2022, 105,523 average bpd in 2023 and 79,682 average bpd in 2024. In 2021, 2022, 2023 and 2024, oil derivatives production at the Esmeraldas refinery totaled 35.2 million barrels, 38.8 million barrels, 38.5 million barrels and 29.1 million barrels, respectively. From January to October 2025, oil derivatives production at the Esmeraldas refinery totaled 20.5 million barrels.

Domestic Fuel Distribution

In 1993, the Government implemented a free market in domestic fuel distribution, which has led to a rapid modernization of distribution facilities. The price at which gasoline is sold to domestic distributors is fixed by an executive decree of the President in accordance with the Hydrocarbons Law and set according to variables such as domestic demand and the impact of the price on public finances. Since 2003, the fixed margin has been determined in cents per gallon. In 2005, the margin increased to U.S.$0.71 per gallon of regular gasoline and to U.S.$0.137 per gallon of diesel. These margins were set by Executive Decree 338, which was issued in August 2005, and as subsequently modified. Any future change to the profit margin would require a new executive decree. Decree 338 also regulated the sales price of consumer petroleum derivatives and set the price for consumers for gasoline and diesel products. The price of gasoline (net of value-added taxes) sold to consumers was fixed at U.S.$1.689 per gallon for gasoline and at U.S.$0.8042 per gallon for diesel. On August 23, 2018, former President Moreno enacted Decree 490, which provided that from August 27, 2018, the final price to consumers of high-octane gasoline "super" was fixed at U.S.$2.98.

On March 9, 2020, international oil prices dropped to their lowest levels since the Gulf War in 1991. The WTI price per barrel of crude oil, which is the benchmark reference for Ecuadorian crude oil, hit a low of U.S.$29.78 on that day. The WTI price per barrel of crude oil continued to decline, reaching U.S.$12.41 at close of trading on April 20, 2020. As a result of the ongoing decline in international crude oil prices, on May 19, 2020, former President Moreno issued Decree 1054, which allowed the price of oil derivatives (i.e., gasoline) in Ecuador to fluctuate based on the price in the international market of the WTI, while placing a price cap that would not allow price fluctuations greater than 5% at service stations. Decree 1054 also repealed the fixed margins that had been established by Decree 338 for diesel 2, premium diesel, extra gasoline without ethanol and extra gasoline with ethanol. In May 2020, the price for diesel 2 and premium diesel was fixed at U.S.$1.00 per gallon and the price for extra gasoline with ethanol and extra gasoline without ethanol was fixed at U.S.$1.75 per gallon. On July 1, 2020, these prices became subject to the pricing cap established pursuant to Decree 1054. On January 11, 2021, Decree 1222, which modified the fluctuation diesel price cap from 5% to 3%, was issued by the executive power. On October 22, 2021, Decree 230 was published, which allowed the President to establish, in exceptional situations, fixed prices for oil derivatives. However, on October 22, 2021, Decree 231 was issued by the executive power to suspend the application of the price cap mechanism and instead set maximum retail prices in the automobile sector of U.S.$2.55 per gallon of extra and eco gasoline and U.S.$1.90 per gallon of diesel 2 and premium, effective as of October 23, 2021.

In June 2022, oil production was impacted by a national strike called by CONAIE, which forced the suspension of Petroecuador's operations as the facilities did not have optimal or adequate technical or security coverage. On June 19, 2022, the Minister of Energy and Mines declared a force majeure event for all exploration and exploitation operators after protestors entered oil fields. As a result, on June 26, 2022, former President Lasso issued Decree 462, which set maximum retail prices in the automobile sector of U.S.$2.45 per gallon of extra and eco gasoline and U.S.$1.80 per gallon of diesel 2 and premium. This force majeure declaration was lifted on July 12, 2022 and the national strike ended when the Government signed the Agreement for Peace. On June 30, 2022, former President Lasso issued Decree 467, which established new maximum retail prices in the automobile sector of U.S.$2.40 per gallon of extra and eco gasoline and U.S.$1.75 per gallon of diesel 2 and premium. On June 26, 2024, President Noboa issued Executive Decree 308, which established the Codified Regulation of Prices for Hydrocarbon Derivatives. This decree set the price for the automotive segment at U.S.$1.797 per gallon for diesel. For extra and eco gasoline, a price stabilization mechanism was established where the cost is set monthly based on international oil and gasoline prices and setting a 5% increase ceiling and a 10% decrease floor. Several private multinational petroleum companies have established service stations in Ecuador. Petroecuador maintains a network of service gas stations of its own and affiliate stations.

Oil revenues

In 2021, Central Government oil revenues represented 2.54% of GDP and 14.9% of Central Government revenues and non-oil revenues represented 14.49% of GDP and 85.0% of Central Government revenues. In the same year, oil revenues for the non-financial public sector represented 12.2% of GDP and 34.1% of non-financial public sector revenues and non-oil revenues represented 23.6% of GDP and 65.9% of non-financial sector revenues.

In 2022, Central Government oil revenues represented 3.19% of GDP and 18.4% of Central Government revenues and non-oil revenues represented 14.08% of GDP and 81.5% of Central Government revenues. In the same year, oil revenues for the non-financial public sector represented 14.5% of GDP and 37.3% of non-financial public sector revenues and non-oil revenues represented 24.3% of GDP and 62.7% of non-financial sector revenues. Central Government oil revenues reached U.S.$3,714.4 million in 2022, an increase from U.S.$2,733.5 million in 2021.

In 2023, Central Government oil revenues represented 1.59% of GDP and 10.5% of Central Government revenues and non-oil revenues represented 13.53% of GDP and 89.5% of Central Government revenues. In the same year, oil revenues for the non-financial public sector represented 12.2% of GDP and 33.3% of non-financial public sector revenues and non-oil revenues represented 24.5% of GDP and 66.7% of non-financial sector revenues. Central Government oil revenues reached U.S.$1,890.5 million in 2023, which is a decrease from the U.S.$3,714.4 million in 2022.

In 2024, Central Government oil revenues represented 2.0% of GDP and 9.0% of Central Government revenues, compared to 1.59% of GDP and 10.5% of Central Government revenues in 2023, and non-oil revenues represented 17% of GDP and 81% of Central Government revenues, compared to 13.53% of GDP and 89.5% of Central Government revenues in 2023. In the same year, oil revenues for the non-financial public sector represented 12% of GDP and 10% of non-financial public sector revenues, compared to 12.2% of GDP and 33.3% of non-financial public sector revenues in 2023, and non-oil revenues represented 22% of GDP and 80% of non-financial public sector revenues, compared to 24.5% of GDP and 66.7% of non-financial public sector revenues in 2023. Central Government oil revenues reached U.S.$1,974.2 million in 2024, compared to U.S.$1,890.5 million in 2023.

Central Government oil revenues were U.S.$2,048.9 million for the nine months ended September 30, 2025, a decrease from U.S.$2,368.3 million for the same period in 2024. Central Government non-oil revenues were U.S.$16,411.9 million for the nine months ended September 30, 2025, an increase from U.S.$16,236.5 million for the same period in 2024. During the nine months ended September 30, 2025, revenues from non-oil sources in the non-financial public sector totaled U.S.$24,791.9 million, an increase of 2.4% from U.S.$24,202.0 million during the same period in 2024. During the same period, oil revenues for the non-financial public sector represented 7,4% of GDP and 29% of non-financial public sector revenues, while non-oil revenues represented 19.0% of GDP and 71.0% of non-financial public sector revenues.

For more information on Central Government revenues, see "*Public Sector Finances—Central Government Revenues and Expenditures*." For more information on revenues of the non-financial public sector, see "*Public Sector Finances—Non-Financial Public Sector Revenues and Expenditures*."

Natural and Liquefied Petroleum Gas

An important part of Petroecuador's commercial strategy includes the distribution of natural gas to southern Ecuador in order to reduce the consumption of LPG, the replacement of gasoline use with LPG for taxis and the creation of a network of service stations in order to compete in quality, service and price with private oil companies.

In 2022, Ecuador had approximately 385 billion cubic feet of proven natural gas reserves, and 160,291 million cubic feet of probable natural gas reserves. As of December 2023, the certified reserves, including proven and probable, of the Amistad Field, Ecuador's sole non-associated natural gas field, located in the Gulf of Guayaquil and producing approximately 21 million cubic feet per day, amounted to 167.3 billion cubic feet of natural gas, with prospective resources of 241.0 billion cubic feet.

In January 2023, Petroecuador announced that Termogas Machala would be supplied with one million cubic feet of natural gas per day. On September 16, 2024, the Government announced an increase in energy production at the Termogas Machala power plant to address the nation's energy crisis. CELEC stated that production would rise from 991 megawatt-hours to 1,591 megawatt-hours. To facilitate this increase, Petroecuador redirected gas from its Bajo Alto production plant, ceasing its use for liquefied natural gas production and allocating it to meet Termogas Machala's energy generation needs.

Consequently, the plant's gas intake grew from 13.5 million to 19.5 million cubic feet, enabling an additional 600 megawatt-hours of electricity generation.

The natural gas platform at the Amistad field in the bay of Guayaquil was previously operated by the U.S. Company Energy Development Corp. Ecuador Ltd. and then managed by Petroecuador. In 2022 and 2023, Petroecuador produced approximately 1.45 and 1.3 million oil equivalent barrels, respectively, in the Amistad field. As of August 30, 2024, Petroecuador had produced approximately 0.9 million oil equivalent barrels of natural gas in the Amistad field. On September 10, 2024, Petroecuador launched a bidding process for a contractor to operate the offshore Amistad gas field for 15 years, with the goal of maximizing its production in the short term.

As a result, Petroecuador entered into a specialized offshore services contract with China National Petroleum Corporation ("CNPC") to carry out workovers and reconditioning of existing offshore wells at the Amistad field. The contract, with an estimated value of approximately U.S.$79 million, provides for the mobilization of a jack-up platform from China and marks the return of offshore jack-up operations to Ecuador's only offshore gas asset after more than a decade. The jack-up unit arrived in Ecuador on October 20, 2025, and began workover operations on well Amistad-15 on November 17, focusing on fracturing the Puná and Progreso formations, with completion expected in December 2025. As of December 2025, the Amistad field average production reached 17.8 MMcfd, with projections of 34.6 MMcfd by March 2026 and a peak of 41.9 MMcfd in July 2026, upon completion of the contracted workover program, followed by a gradual decline to approximately 26 MMcfd by December 2029.

In addition, Petroecuador has been carrying out reconditioning work on previously shut-in wells in the same block since early August 2024, which is expected to add up to an additional 5 million cubic feet per day of production prior to the availability of the jack-up rig.

Mining

The *Ley de Minería* (the Mining Law) enacted in 2009 establishes norms for the exercise of the Government's rights to manage and control the mining sector, in accordance with the principles of sustainability, precaution, prevention and efficiency. The law provides that it is the Government's responsibility to oversee all aspects of the mining process, such as exploration, development, industrialization and marketing and authorizes the Republic to invest directly or through joint ventures with domestic or foreign private sector entities. In addition, it authorizes the Republic to both hire and grant licenses and concessions to wholly owned private entities to conduct all phases of development. However, under the Constitution, ownership of mineral resources in the soil and subsoil remains with the Republic, and such ownership cannot be transferred to entities that are not controlled by the State.

On August 28, 2025, Ecuador published the *Ley Orgánica de Transparencia Social*, which amended, among other statutes, the Mining Law. The amendments, among other matters, reorganize the exploration phase into an initial exploration stage of up to four (4) years and an advanced exploration stage of up to an additional four (4) years, subject to approval by the competent Ministry and, in the case of the advanced exploration stage, compliance with minimum investment commitments and a partial relinquishment of the concession area. Upon expiration of the advanced exploration stage, the concessionaire has up to two (2) years (extendable for up to two (2) additional years, subject to payment of increased conservation patents) to conduct an economic evaluation of the deposit and request commencement of the exploitation stage and execution of the corresponding mining exploitation contract with the State. The amendments also strengthen the grounds and procedures for extinction and caducity of mining concessions, including for failure to timely request a change of stage, non-compliance with economic or investment commitments (including those assumed in auctions or tenders), non-payment of applicable fees, royalties or patents, and, in certain cases, the existence of qualified environmental damage.

The amendments introduced by the *Ley Orgánica de Transparencia Social* further clarified and expanded the grounds for caducity of mining rights, expressly incorporating the non-payment of applicable fees and charges as an additional cause for the extinction of a mining concession. In parallel, as of the date of this Offering Circular, a draft reform to the Regulation of the Mining Law is under review and in its final phase, which is expected to introduce additional provisions aimed at strengthening the legal framework to combat illegal mining activities and refining the conditions applicable to the payment of mining royalties. In addition, the Mining Regulation and Control Agency (ARCOM) has issued Resolutions ARCOM-009-25 and ARCOM-011-25, which establish operational guidelines for enforcement actions against illegal mining, including procedures for the seizure of heavy machinery and the confiscation of materials and products derived from illegal mining activities, thereby reinforcing regulatory oversight and enforcement capabilities in the mining sector.

In addition, on December 31, 2025, the Executive issued Decree 273, which amended the General Regulation of the Mining Law to further modernize and strengthen the sector's regulatory framework. The reform introduces updated procedures for auctions and tenders, incorporates the concept of a unified "mining project" for contiguous concessions, and clarifies the commencement of exploration periods and the requirements for transitions between exploration stages. It also refines the documentation and technical standards applicable to the negotiation of exploitation contracts, updates the conditions for advancing to exploitation in medium and large-scale mining, and revises the methodology for calculating mining royalties and the sovereign adjustment. The decree additionally strengthens enforcement mechanisms against illegal mining—including enhanced seizure, inspection and administrative protection procedures—establishes new obligations relating to on-site power generation and *Unidad de Análisis Financiero y Económico* (UAFE) registration, and provides for automatic extinction of certain small-scale concessions in cases of prolonged inactivity attributable to the concessionaire.

While the mining sector represents a small portion of GDP (8.2% in 2024, 8.3% in 2023 and 10.5% in 2022), it is an important source of potential resources for the development of the Republic.

Mining Projects

Ecuador has a strategic focus on fostering sustainable and competitive development in the mining sector by actively diversifying its mining portfolio through the development of large-scale projects, significant private and public investment, and partnerships with renowned global mining companies. Less than 10% of Ecuador's territory has been explored, leaving approximately 3.17 million hectares available for future licensing and exploration. Ecuador has strategic partnerships with globally recognized mining companies. For instance, Tongling Nonferrous Metals, one of the world's largest copper smelters, and Lundin Gold, which operates mines in countries such as Brazil, Chile, and Portugal. Other key players in Ecuador's mining landscape include Dundee Precious Metals, Solaris Resources, Salazar Resources, and Lumina Gold.

The Mirador Project and the Fruta del Norte Project are Ecuador's flagship mining projects. The Mirador Project, operated by Ecuacorriente S.A., a joint venture between China Railway Construction Corporation ("CRCC") and Tongling Nonferrous Metals Group, is Ecuador's largest copper mine. As of 2023, the project has received an executed investment of U.S.$1,659 million. Similarly, the Fruta del Norte Project, a gold and silver mine operated by Lundin Gold, has attracted an executed investment of U.S.$1,599 million from 2003 to 2023. Both projects are in full production. The Republic has also advanced the development of several new mining projects referred to as the "Second Generation Mining Projects." These include Cascabel, Llurimagua, Ruta del Cobre, Cangrejos, La Plata, and Curipamba. Together, they represent a total executed investment exceeding U.S.$7.1 billion. These projects are expected to transition into their exploitation phases in the short to medium term.

The Loma Larga project, located in the Azuay Province, is a gold, silver, and copper deposit owned by Dundee Precious Metals Ecuador S.A. (the former concessionaire was a subsidiary of INV Metals Inc.) The project began construction in 2023, with production expected in the third quarter of 2024. On November 29, 2018, the then Minister of Energy and Mines confirmed the project's technical and economic feasibility, citing the results of a study performed on the project by an international consortium led by the firm DRA Americas Inc. On February 1, 2019, the CNE approved public consultations to be held on March 24, 2019, in the Girón Canton, Azuay province, to approve or reject mining activities in Girón. In response, the Ministry of Energy and Mines lodged a complaint with the Constitutional Court to enjoin the consultations alleging the CNE lacked legal authority to approve them. On March 13, 2019, a judge temporarily suspended the public consultations until the Constitutional Court ruled on the matter.

On March 24, 2019, the consultations were held, resulting in the rejection of mining activity in Girón by 87.79% of the votes. Following the vote, INV Metals, Inc. (as it was formerly known) announced that it was considering relocating its processing and waste facilities outside of Girón, as Loma Larga's mineral resources and reserves are already located outside the canton. In April 2020, INV Metals Inc. (as it was formerly known) announced the results of an updated feasibility study on the project incorporating the relocation of the plant and tailings facility. The April 2020 feasibility study showed that the capital and operating costs of the project had not changed materially since the previous feasibility study conducted in 2019. Loma Larga's environmental exploitation license application was halted due to the precautionary measure presented by the environmental activist Yaku Pérez Legal Protective Action, which was accepted by the Constitutional Court. The appeal hearing on the protection action was held on October 14, 2022. The precautionary suspension of the environmental licensing process was not ordered by the Constitutional Court of Ecuador, but rather by a constitutional judge through a decision dated July 20, 2022, clarified on July 29, 2022. An appeal filed within that proceeding was resolved on August 28, 2023, lifting the precautionary measures.

Subsequently, the Ministry of Environment and Energy carried out a prior consultation process and submitted the requested evidence before the competent court, seeking the archiving of the judicial proceeding, which remains pending issuance of a formal archival order. Separately, the environmental license for the Loma Larga mining project under the Large-Scale Mining Regime for the Exploitation and Processing Phase was revoked in 2025 pursuant to Resolution No. MAE-MAE-2025-0008-RM, based on the precautionary environmental principle, following public statements by the Municipality of Cuenca and the Provincial Government of Azuay. As a result, as of the date of this Offering Circular, the project does not hold a valid environmental exploitation license.

With respect to the San Carlos Panantza project, located in Morona Santiago Province, the Constitutional Court of Ecuador declared a violation of the right to prior consultation and ordered the Republic to carry out such consultation. The Ministry of Environment and Energy is currently conducting this process, which remains in a preliminary phase. Until completion of the ordered consultation and the adoption of subsequent administrative decisions, the project remains suspended, and there is no estimated date for the resumption of operations.

The mining potential of Ecuador's main projects is evidenced by their substantial reserves and projected revenues. Key projects include Fruta del Norte, Mirador, Cascabel, and Cangrejos, each of which contributes notable quantities of minerals. Fruta del Norte holds reserves of 142.30 metric tons of gold and 186.80 metric tons of silver. The Mirador project contributes 113.30 metric tons of gold, 564.95 metric tons of silver, and 3,460,000 metric tons of copper, making it a significant source of copper production. Cascabel features reserves of 759.70 metric tons of gold, 2,588.30 metric tons of silver, and 10,700,000 metric tons of copper. Cangrejos adds 327.70 metric tons of gold, 407.60 metric tons of silver, and 644.101 metric tons of copper to the sector's portfolio. Together, these projects account for a total of 1,343 metric tons of gold, 3,747.65 metric tons of silver and 11,344.101 metric tons of copper in reserves.

Projected revenues from tax collection in the mining sector, derived from sector-specific taxes, for the period 2023–2029 are estimated at approximately U.S.$7,806.20 million. This amount includes approximately U.S.$133.74 million from mining conservation patents, U.S.$1,373.90 million from mining royalties and U.S.$6,298.55 million from mining profit participation. These projected revenues are primarily driven by the ongoing operations of the Fruta del Norte and Mirador mines, as well as the expected entry into production of the La Plata and Curipamba projects.

Ecuador also has significant quantities of mining "resources" that are not included within the "reserves" described above. Reserves are defined as mineral deposits whose extraction is economically viable and has been validated through feasibility studies. Resources, by contrast, refer to mineral deposits that may potentially be extracted and processed based on geological, scientific and technical information, but for which feasibility studies have not yet been completed.

The Curipamba, La Plata and Warintza projects are classified as resources. Curipamba alone is estimated to contain 21.15 metric tons of gold, 403.34 metric tons of silver and 189,400 metric tons of copper. La Plata is estimated to contain 6.94 metric tons of gold, 91.96 metric tons of silver and 49,800 metric tons of copper, while Warintza is estimated to contain 33.58 metric tons of gold and 3,436,000 metric tons of copper. Taken together, these projects represent aggregate additional resources of approximately 61.67 metric tons of gold, 494.60 metric tons of silver and 3,675,200 metric tons of copper.

Mining exports have become an increasingly important component of Ecuador's external sector. In 2024, the mining sector accounted for approximately 8.43% of total exports, generating revenues in excess of U.S.$3,074.85 million. During that year, the Mirador project accounted for approximately U.S.$1,009.52 million in copper concentrate exports, while the Fruta del Norte project contributed approximately U.S.$1,154.49 million in gold export revenues.

Mining Policy

COVID-19

The outbreak of the COVID-19 pandemic in 2020 affected the normal operations of the mining industry in Ecuador. Following the State of Emergency declared by former President Moreno in March 2020, various mining projects such as the Fruta del Norte Project and the Mirador Project halted normal production and switched to a maintenance phase. Other parts of the sector worked on a similarly limited basis, while a portion completely detained operations.

According to the MEM, as of May 6, 2020, the COVID-19 crisis, and in particular the constraints to mobility and other restrictions resulting from the State of Emergency, had prevented the export of minerals valued at approximately U.S.$72.5 million with 70% of such losses coming from the copper and gold operations at Mirador and Fruta del Norte. The

mining sector has since recovered, with registered exports increasing between 2020 and 2025. According to data from the Central Bank, the mining industry registered exports of U.S.$2,092 million in 2021, U.S.$2,775 million in 2022, U.S.$3,324 million in 2023, U.S.$3,075 million in 2024 and U.S.$3,231 million in the ten months ended October 30, 2025.

The Constitutional Court

In 2018, local authorities of the town of Cotacachi filed a protective action against the Minister of the Environment and the manager of Empresa Nacional Minera ENAMI EP in relation to the Río Magdalena mining project carried out in partnership with Canadian mining company Cornerstone Capital Resources in the Los Cedros protected forest and the mining concessions and environmental permits granted to Empresa Nacional Minera ENAMI EP by the Ministry of Environment, Water and Ecological Transition (the "MAATE") (formerly the Ministry of Environment). The protective action sought to stop all mining activity in Los Cedros and claimed that the rights of nature had been violated and that communities in the area had not been consulted prior to the granting of such concessions and permits. The court of first instance denied the action deciding that constitutional rights had not been violated and that it was a strictly administrative matter. However, after an appeal, the court of second instance partially accepted the claim and in particular declared a violation of the right to participation pursuant to Article 61.4 of the 2008 Constitution and ordered that all mining activity in Los Cedros cease until an assessment of the rights of nature was conducted. Local authorities filed an additional remedy against the lower court's decision, resulting in an appeal to the Constitutional Court to seek express determination on whether the rights of nature had been violated. In December 2021, following their review, the Constitutional Court declared that the mining concessions and environmental permits previously granted had violated the 2008 Constitution in relation to: (i) the right of the Los Cedros; (ii) the right to water and a healthy environment; and (iii) the right of local communities to prior consultation. As a result, the Constitutional Court revoked the environmental license, water permits and mining concessions granted and prohibited any extractive activity that may be harmful to the Los Cedros. It also ordered the MAATE to take all necessary measures to preserve Los Cedros and its rights, and to draft new regulations imposing stricter environmental standards for permits for extractive activities.

Local authorities in the Andean city of Cuenca proposed that the Constitutional Court approve five questions for a referendum, which sought to gauge public opinion on whether large scale mining in areas surrounding the five rivers that supply Cuenca's water (the Tomebamba river, the Yanuncay river, the Machángara river, the Tarqui river and the Norcay river) should be allowed. On January 12, 2022, the Constitutional Court upheld the constitutional right of communities (not only those in Cuenca) to have prior consultation before the Government moved forward with any mining or other extractive projects. The Constitutional Court also clarified that if the community does not consent to the proposed extractive activities in the referendum, the result would apply to future mining projects to uphold the principle of legal certainty.

Also in 2018, the indigenous community of the Sinangoe area brought a constitutional action alleging that mining concessions granted and in process violated their constitutional right to prior consultation, the right to live in a healthy environment, the right to clean water, health and food and the rights of nature. The court of first instance and appellate court determined that the rights of the indigenous communities had been violated and, as a result, 52 mining concessions in the areas of the Cofanes, Chingual and Aguarico rivers in Sinangoe were revoked. The MEM, among others, appealed the judgment of the appellate court and the matter was heard by the Constitutional Court. On January 27, 2022, the Constitutional Court upheld the decision of the appellate court. As part of their decision, the Constitutional Court clarified that the constitutional right to prior consultation is not limited to plans or projects within indigenous lands, but also to those that may affect indigenous lands. The decisions made by the Constitutional Court in respect of Los Cedros and Sinangoe were issued in accordance with the review authority of the Constitutional Court and therefore are not subject to appeal.

On March 24, 2019, a referendum was held regarding mining activities in the Canton Giron in the Azuay province. The decision was against mining activities taking place. This referendum took place as the previous Constitutional Court failed to issue a decision within the required term. On February 7, 2021, a local referendum was held in Cuenca, where 86.7% voted to prohibit large scale metallic mining exploitation in the hydric recharge zones of four rivers.

On August 18, 2020, an Ecuadorian subsidiary of INV Metals Inc. (which subsidiary currently belongs to Dundee Precious Metals), which operates the mining project Loma Larga, filed a constitutional lawsuit before the Constitutional Court against the resolution enacted by the *Consejo Nacional Electoral* (the "National Electoral Council") by which the referendum regarding mining activities in the Canton Giron was carried out. The principal arguments of the lawsuit were that: (i) in a Constitutional State of Rights and Justice, such as Ecuador, a referendum that will be submitted to popular consultation cannot become constitutional by the mere passage of time; (ii) the challenged resolution would affect the right to legal certainty and third-party legitimate rights (such as for Loma Larga); and (iii) the referendum was neither effective nor enforceable, due to

a lack of formalities in the question asked to the local electorate and more generally that the referendum did not comply with the Constitution and applicable legislation. On July 28, 2021, the defendant filed its defense before the Constitutional Court and claimed that it had acted in accordance with the Constitution and the law, and rejected the company's arguments. Loma Larga's environmental exploitation license application was halted due to the precautionary measure presented by the environmental activist Yaku Pérez Legal Protective Action, which was accepted by the Constitutional Court. The appeal hearing on the protection action was held on October 14, 2022. The precautionary suspension of the environmental licensing process was not ordered by the Constitutional Court of Ecuador, but rather by a constitutional judge through a decision dated July 20, 2022, clarified on July 29, 2022. An appeal filed within that proceeding was resolved on August 28, 2023, lifting the precautionary measures. Following the lifting of such precautionary measures, the Ministry of Energy and Mines (now the Ministry of Environment and Energy) conducted a prior consultation process and submitted the corresponding evidence before the competent court, requesting the dismissal and filing of the judicial proceeding. As of the date of this Offering Circular, a final ruling ordering the filing of such proceeding is still pending. Notwithstanding the foregoing, the environmental exploitation licenses of the Loma Larga mining project, granted under the Large-Scale Mining Regime for the Exploitation and Processing Phase, was revoked by means of Resolution No. MAE-MAE-2025-0008-RM, based on the precautionary principle of environmental protection, following statements issued by the Municipality of Cuenca and the Provincial Government of Azuay. See further "*The Ecuadorian Economy—Strategic sectors of the Economy—Mining*."

Executive Decree

In August 2021, former President Lasso issued Decree 151, which contained the 'Action Plan for the Mining Sector.' The Action Plan for the Mining Sector sought to facilitate: (i) the achievement of efficient and environmentally and socially responsible mining; (ii) the determination of the local geological potential for domestic and foreign investment; and (iii) the introduction of the best practices for the exploitation of such resources. However, Decree 151 was repealed after strikes led by CONAIE in June 2022 following which the Government signed the Agreement for Peace with CONAIE (see "*Summary Information and Recent Developments*").

Following the repeal of Decree 151, the Republic subsequently issued Decree 468 in June 2022 signaling a shift toward heightened safeguards in the sector. Decree 468 provided that: (i) the President would not exercise the exceptional power provided in the 2008 Constitution that allows the President to request the extractive activity of non-renewable natural resources in protected areas, areas declared as intangible, in ancestral territories and archaeological zones in accordance with the law; (ii) the President had instructed the Ministry of Energy and Mines not to present or approve new projects for the extraction of non-renewable natural resources in protected areas, intangible zones, ancestral territories and archaeological zones; and (iii) the President had requested the development of the law relating to free and informed consultation with the indigenous communities in affected areas, prior to the execution of any new natural resource extraction projects.

Bulding on this more cautions and institution-focused approach, Ecuador's mining policy now seeks to balance the development of strategic mineral resources with fiscal sustainability, environmental safeguards and legal certainty. The Government has focused its efforts on strengthening regulatory frameworks, improving oversight mechanisms and promoting formal investment, while addressing the challenges associated with illegal mining through coordinated enforcement actions. In this context, Decree 273, issued in December 2025, reinforces the sector's institutional framework by introducing measures aimed at enhancing the regulation, supervision and orderly management of mining activities, as well as strengthening the State's response to illegal mining. These measures are intended to support medium-term fiscal revenues and promote responsible and sustainable sectoral development.

Consistent with the Government's effort to strengthen regulatory capacity and improve sectoral governance, the mining cadaster—which issues licenses and concessions—has remained closed since 2018 while the authorities implement a comprehensive restructuring designed to increase transparency and modernize the administration of mining rights. To support this effort, the Ministry of Energy and Mines entered into a contract with the Canadian company Pacific Geotech Systems Ltd to develop a new mining management system (the "SGM"), encompassing 33 processes intended to be launched between November 2024 and January 2026, with final delivery no later than March 2026. Work is currently underway on a preliminary Phase I of the cadaster system, which is expected to be launched in the coming months.

Electricity and Energy Infrastructure

In November 2021, President Lasso issued the Electricity Sector Policies through Decree 238. Among other things, this decree sought to promote the implementation of the necessary institutional and regulatory framework to guarantee the sustained increase of the installed capacity of electric power generation in Ecuador. It also asked for public tenders for, among

others, the concession of the 500 ERNC, the Northeastern Transmission System and the 400 CCGN. In January 2023, with respect to the 500 ERNC tender, ten companies were awarded with concession contracts for having filed bids below the reserve price. These projects, which totaled 511,31MW, include six solar photovoltaic projects, three hydro-electric projects and a wind project.

In 2023, the 400 CCGN project and the Northeastern Transmission System finalized their respective public bidding process with no bids submitted prior to the deadline. Through the 400 CCGN project as originally presented, the power plant will use gas thermoelectric generation units, based on conventional combined cycles with gas turbines or internal combustion engines. The concession will have a 25-year term and will require an estimated investment of U.S.$600 million. The awarded bidder and subsequent concessionaire will be responsible for ensuring the supply of natural gas in the quantity, quality, and timeliness required to operate the power plant. As of the date of this Offering Circular, the Ministry of Environment and Energy has been restructuring the 400 CCGN project and is currently preparing a new public bidding process, with updated bidding documents incorporating feedback received from private sector participants. The launch of this new process is currently expected in early 2026.

The Northeastern Transmission System project was intended to provide transmission infrastructure connecting the National Interconnected System with the Oil Interconnected Electric System in northeastern Ecuador, with an estimated investment of approximately U.S.$386 million and a 30 year concession term, including the construction of new substations and transmission lines. Following a public bidding process in which no bids were submitted, the Government does not currently plan to launch a new bidding process for this project, as the Northeastern Transmission System has been removed from the Republic's Electricity Master Plan.

Hydroelectric

As of December 31, 2022, 2023 and 2024 and September 30, 2025, hydroelectric plants supplied approximately 24,624 GWh (85.31%), 25,339 GWh (81.19%), 22,614 GWh (75.09%) and 28,550 GWh (84.74%), respectively, of the power in the National Interconnected System Ecuador.

The increase in power supplied by hydroelectric plants is due to the development of a matrix of hydroelectric plants built throughout Ecuador, notably the Delsitanisagua plant in 2018 and the Minas San Francisco plant in 2019.

Ecuador's objective in developing this matrix is to reduce its consumption of oil through oil based generators, thereby increasing oil imports and electric energy imports and improving energy independence. Ecuador also plans to replace household oil-based consumption (for cooking and heating as further described below) with electricity-based consumption through the hydroelectric power grid, with the goal of eliminating the need for a liquified petroleum gas subsidy.

The Santiago hydroelectric project is located at the Morona Santiago province and has a 2,400 MW (Phase 1) capacity expected to generate approximately an average of 14.163 GWh per year. The required investment for the Santiago hydroelectric project is U.S.$3,053 million. The Cardenillo hydroelectric project is located at the Azuay province, and has a 596 MW capacity expected to generate an average of approximately 3.356 GWh per year. The required investment for the Cardenillo hydroelectric project is U.S.$1,326 million.

The 1,500 MW Coca Codo Sinclair plant was inaugurated on November 18, 2016. As of December 2022, it could generate an average of 6.83 GWh per year; however, as of the date of this Offering Circular, generation has been affected by significant operational limitations due to reduced water levels of the Coca River, its main water source (see "*The Republic of Ecuador—Ecuador's Power Sector Crisis*"). On September 27, 2024, the plant generated up to 1,100 MW, accounting for approximately 50% of the nation's hydroelectric energy that day. Between November 1 and November 10, 2024, amidst the crisis in Ecuador's electric power sector, the plant delivered an average of 479 megawatts, representing approximately 32% of its maximum capacity of 1,500 megawatts. On November 10, generation dropped to 324 megawatts, just 20% of its capacity.

In November 2016, all eight turbines in the plant became operational, each generating 187.5 MW and a total of 1,500 MW of power, or 30% of Ecuador's electricity needs. However, due to lower-than-expected demand in 2017, the plant supplied 25% of Ecuador's electricity needs, or 5.838 GWh. The plant is expected to reduce 3.5 million tons of carbon emissions per year and replace oil energy consumption for domestic purposes such as cooking and water heating. The plant joined the existing infrastructure of hydroelectric plants that include the 21 MW Mazar plant in the Azuay province, the 1,075

MW Paute-Molino plant near Cuenca, the 270 MW Minas San Francisco plant, the 50 MW Quijos plant, and the 487 MW Sopladora and Cardenillo plants planned along the Paute River.

On November 5, 2018, the German multinational TÜV SÜD was selected to diagnose the state of the Coca Codo Sinclair structure and establish a viable plan of action for any necessary repairs, after a draft report by the Government found certain structural deficiencies in the project. In March 2023, more than 7,000 cracks have been repaired by Sinohydro, a Chinese construction company, in the Coca Codo Sinclair plant. During the first quarter of 2023 an investigation was commenced in respect of alleged bribes in respect of this plant during the administrations of former President Moreno and former President Correa.

In mid-2025, the Coca Codo Sinclair project experienced a significant political and diplomatic development. Following an official visit to Beijing by President Daniel Noboa, during which he met with Chinese President Xi Jinping, the Republic announced that it had reached an agreement with PowerChina, the parent company of Sinohydro, pursuant to which PowerChina will assume operational control of the Coca Codo Sinclair hydroelectric plant. As part of this agreement, PowerChina agreed to pay approximately U.S.$200 million in compensation and U.S.$200 million in credits, and, in exchange, the Republic will terminate the international arbitration proceedings it initiated in 2021 seeking approximately U.S.$580 million in damages in connection with alleged structural defects at the plant, including the detection of more than 17,000 cracks since commencement of operations, as well as defective valves and improperly installed components.

Many of these hydroelectric projects are financed through agreements with bilateral lenders, including (i) China Exim Bank, which provided U.S.$1,700 million to finance the Coca Codo Sinclair project, U.S.$571 million to finance the Sopladora hydroelectric project and U.S.$313 million to finance the Minas San Francisco hydroelectric project; (ii) the Brazilian National Economic and Social Development Bank, which provided U.S.$90.2 million to finance the Manduriacu hydroelectric power plant project near Quito; and (iii) Société Générale and Deutsche Bank, which in April 2014 committed to together provide an additional U.S.$50 million to finance the Manduriacu hydroelectric power plant. Construction on a new line of hydroelectric plants commenced in 2016, including the 180 MW Delsitanisagua hydroelectric plant and the 254 MW Toachi Pilatón hydroelectric plants, as well as the construction of a reservoir in the Minas San Francisco project. The construction of these hydroelectric plants was as a result of enhanced efforts by the Government to invest in the sector. The Minas San Francisco power station was completed and inaugurated on January 15, 2019 and was expected to benefit 220,000 families in Southern Ecuador. The Delsitanisagua plant became operational in December 2018. Over its five years of service as of December 2023, it contributed approximately 4,276.34 GWh of renewable energy to the system. In October 2024, the Ministry of Energy announced that the Toachi Pilatón plant is nearing operational status after more than 14 years of development. The project, with a capacity of 204 megawatts, began generating electricity in April 2025.

In 2020, the Government increased investment in the water sector in order to alleviate flood conditions and access to potable water in various parts of Ecuador. Ecuador's national water authority, *Secretaría de Agua*, invested U.S.$1,233 million out of U.S.$1,560 million for six multi-purpose projects to improve flood control and irrigation. One of the most important projects in the water sector was the Multipropósito Chone project in the Manabí province. Financed by the Government and private partners, the U.S.$168.4 million project built a dam to alleviate the flood conditions of the region. The project also built a drain system, which serves for irrigation purposes and provides a drinking water supply for Chone city. The cost of this project included mitigation costs of U.S.$41.7 million in the surrounding area to compensate inhabitants in those areas. Other water projects in 2020 included: (i) the Cañar project at a cost of U.S.$360.5 million to protect approximately 40,000 hectares along the Cañar River and its adjoining streams through a system of levees, including a 24-kilometer bypass; (ii) four new bridges; (iii) a flood regulatory system and 173 km of dyke walls; (iv) the U.S.$372.7 million Daule-Vinces project that redirects water from the Daule River and transports it along a 38.73 kilometer canal to dry farmlands; (v) the Naranjal project at a cost of U.S.$181.7 million to protect approximately 44,000 hectares, seven new bridges and 158 km of dyke walls.

In 2021, water projects included: (i) construction of a project of technified irrigation system at the level of plots in crops in the community *Colón-Quimis, Canton Portoviejo,* province of Manabí at a cost of U.S.$3,560.2 million; (ii) integral rehabilitation of the irrigation system Campana Malacatos, Malacatos parish, Canton Loja Etapa at a cost of U.S.$5,903.3 million; and (iii) a project to improve the levels of agricultural production through the construction of a drainage channel and perimeter retaining wall of the southern zone of the city of Babahoyo, for the control of irrigation and drainage flows for the benefit of the agricultural sector of the irrigation and drainage boards *Las Merceditas and Babahoyo*, located in the Babahoyo Canton province of Los Ríos at a cost of U.S.$1,216.9 million.

In 2022, water projects included: (i) construction of the Cacaloma-Chilcaplaya irrigation system at a cost of U.S.$654.0 million; (ii) Construction of the main pipeline of the irrigation system Tarau Pungales, parishes Matriz, La

Providencia and Guanado of the Canton Guano at a cost of U.S.$3,054.4 million; (iii) construction of the San Pedro Irrigation System, El Guabo Canton-El Oro Province at a cost of U.S.$793.6 million; and (iv) an irrigation system in the Guachal enclosure, Súa parish, Atacames Canton, province of Esmeraldas at a cost of U.S.$668.8 million. These flood control projects reduce the social and economic damage caused by floods in the winter season, allowing the Government to reallocate resources previously used to repair the damage to other projects. . In 2022, the electric and water sectors contributed a total of U.S.$2,130 million to the GDP, an increase compared to U.S.$2,016 million in 2021. In 2023, the electric and water sectors contributed a total of U.S.$2,043 million to the GDP, an decrease compared to U.S.$2,130 million in 2022. In 2024, the electric and water sectors contributed a total of U.S.$1,929 million to GDP, representing an decrease compared to U.S.$2,043 million in 2023. For the nine months ended September 30, 2025, the electric and water sectors contributed a total of U.S.$1,629 million to GDP, representing an increase compared to U.S.$1,512 million in the same period in 2024.

On October 26, 2023, Ecuador implemented of power cuts across the country due to the impact of El Niño weather patterns on its hydroelectric plants. The Ministry of Energy and Mines reported that drought conditions had significantly reduced water levels in reservoirs. Although no hydroelectric plants were formally taken out of service in 2024, electricity generation from these facilities was substantially reduced due to historically low river flows. These reservoirs feed hydroelectric plants, which supply a significant portion of the country's electricity. The power cuts, lasting up to two hours per day, were scheduled to begin on October 31, 2023. The Government stated that the cuts were necessary to prevent a more severe energy crisis and to ensure the stability of the national electrical system. In 2024, Ecuador continued to face a severe energy crisis, driven primarily by the unprecedented drought that drastically reduced water levels in key reservoirs, particularly in the Paute and Mazar basins. See "*The Republic of Ecuador—Ecuador's Power Sector Crisis.*"

Throughout 2024, the Government declared multiple states of emergency to address the energy crisis, deployed military personnel to protect critical electricity infrastructure and accelerated measures to increase domestic generation capacity. During that year, Ecuador experienced prolonged drought conditions, which resulted in scheduled electricity rationing during the periods previously described and an estimated volume of unsupplied energy of approximately 2.14 TWh, equivalent to about 6.6% of projected annual electricity demand. To mitigate the impact of the crisis, the Government incorporated additional generation capacity, including approximately 300 MW of rented floating generation, 34 MW of rented land based generation and 205 MW of its own hydroelectric generation.

Since December 20, 2024, no further scheduled electricity rationing has been implemented. In 2025, no scheduled power outages have been implemented or are currently planned due to generation shortfalls. Hydrological conditions have improved materially, and as of December 16, 2025, reservoir levels at the Paute hydroelectric complex reached approximately 84%, compared to approximately 26% as of the same date in 2024, resulting in a significantly stronger contribution from national hydroelectric generation. The Government continues to maintain a permanent military presence at several key hydroelectric facilities within the National Interconnected System, reflecting their strategic importance.

The authorities are planning and managing the entry of additional firm generation capacity in the coming years, including approximately 260 MW of rented thermal generation using diesel or gas, 230 MW of rented floating thermal generation using fuel oil and 40 MW of its own thermal generation in 2026, as well as approximately 340 MW of gas turbines expected to enter service in 2028. In July 2025, the Government implemented a tariff adjustment applicable to AV1 voltage level tariffs (applicable primarily to large industrial and high voltage consumers) and medium voltage tariffs, with increases of approximately 20% to 30%, in order to reduce the gap between the cost of service and end user tariffs and strengthen the financial position of the electricity sector.

With respect to regional power integration, Ecuador imported approximately 1.2 TWh of electricity from Colombia in 2024 and approximately 0.52 TWh in 2025 as of December 15, 2025, and the international power exchange framework remains in effect, with imports or exports conducted based on prevailing market conditions and economic considerations in Ecuador and Colombia.

Geothermal

On October 1, 2019, CELEC authorized the entry into a U.S.$60.1 million line of credit with the Government of Japan through the Japan International Cooperation Agency (the "JICA") to develop Ecuador's first geothermal project, the 50 MW Chachimbiro plant, which requires an estimated U.S.$250 million investment and is located at the Urcuquí Canton of the Imbabura province. The project is part of the Government's long-term national policy to expand the electric power sector of Ecuador, and will be executed in two phases: the initial field development from 2024 to 2028, with an estimated investment of U.S.$80 million, co-financed by the Japanese Government through an Official Development Assistance loan capped at

approximately U.S.$42.76 million, supplemented by CELEC's own funds; and the second phase, focused on plant construction, requiring U.S.$170 million between 2029 and 2032. The signing of the credit agreement took place on October 3, 2024. CELEC is progressing with the procurement process for the comprehensive civil design for Phase 1, with adjudication pending, and has initiated preparations for consulting on water source identification for drilling. Additionally, an extended agreement with NOVOPAN secures access to the necessary land for the project's development.

Wind and Solar

The Republic has signed 10 concession contracts for renewable energy projects, representing a total capital expenditure investment of U.S.$956,73 billion and annual operational and maintenance costs of approximately U.S.$15,15 million. These projects will add 713,70 MW of renewable energy capacity to the national system and include a mix of wind and solar photovoltaic initiatives, aiming to reduce the country's reliance on non-renewable energy sources. The key projects include Villonaco III, El Aromo, and Conolophus.

The Villonaco III project is a wind power initiative located in the Loja Province with a nominal power of 110 MW and an investment of approximately U.S.$180 million. The concession contract for the Villonaco III wind project has been amended, primarily to adjust the applicable energy sale tariff and certain conditions precedent, and the contract is currently in force, with construction having commenced in July 2025.

The El Aromo photovoltaic solar project, situated near Manta in the Manabí Province, has a nominal power of 200 MW and an investment of U.S.$144.38 million. The Conolophus photovoltaic project, located in the Galápagos Islands, has a declared capacity of 14.8 MW and an investment of U.S.$63 million. These projects have finalized concession contracts and are expected to contribute significantly to Ecuador's renewable energy capacity.

On March 31, 2023, the Huascachaca Wind Project, which cost approximately U.S.$90 million, commenced operations. It is located in Saraguro, Loja province and is the largest wind project in Ecuador with a power of 50 MW. It is expected to supply 130 GWh to approximately 90,000 homes.

Telecommunications

In 2021, the telecommunications sector accounted for U.S.$2,292 million (2.1% of the GDP), a decrease of 0.8% compared to U.S.$2,310 million (2.4% of GDP) in 2020. In 2022, the telecommunications sector accounted for U.S.$2,431 million (2.1% of the GDP), an increase of 6.1% compared to U.S.$2,292 million (2.1% of GDP) in 2021.

In 2023, the telecommunications sector accounted for U.S.$2,470 million (2.0% of the GDP), an decrease of 0.6% compared to U.S.$2,483 million (2.1% of the GDP) in 2022. In 2024, the telecommunications sector accounted for U.S.$2,374 million (1.9% of GDP), representing an decrease of 3.9% compared to 2023. For the nine months ended September 30, 2025, the telecommunications sector accounted for U.S.$1,793 million (1.8% of GDP), an increase of 2.5% compared to U.S.$1,749 million (1.9% of GDP) for the same period in 2024.

In 2008, Ecuador granted Spain's Telefónica (currently operating in Ecuador as "Movistar") and Mexico's América Móvil (currently operating in Ecuador as "Claro") 15-year concession contracts to provide Ecuador with telephone and 3G services. The concessions are extensions of previous agreements both companies had with Ecuador and are expected to generate U.S.$840 million in revenues for Ecuador over the course of the term of the concessions. In February 2015, Ecuador amended the concession to provide Ecuador with 4G services. Since 2021, the Government has engaged in protracted negotiations with telecommunications giants Claro and Movistar spanning multiple administrations to renew the concession contracts for both operators to continue providing mobile services in Ecuador. Those negotiations concluded on October 30, 2025, when Ecuador renewed the mobile-service concessions through 2038; in the process, Telefónica formally exited the Ecuadorian market after selling 100% of its local subsidiary Otecel to Millicom, which now operates the service under the Movistar/Tigo brand.

These negotiations were initially set to conclude by May 2024, but were delayed due to a lack of agreement and were ultimately successfully concluded on October 30, 2025, with the execution of renewed concession agreements for the

Advanced Mobile Service (*Servicio Móvil Avanzado*) with the private mobile operators CONECEL and OTECEL. The renewed concessions extend through 2038, providing enhanced legal and regulatory certainty to support new investments in the telecommunications sector.

On November 27, 2025, the parties executed amendments to the concession agreements allocating additional radio spectrum bands to the private mobile operators, with the objective of improving service quality, expanding coverage and enabling the deployment of 5G technology. As a result of these agreements, the Government of Ecuador expects to receive more than U.S.$1.55 billion in payments from the operators over the term of the concessions. In addition, the operators committed to a series of service and investment obligations to be implemented by 2028, including the deployment of 5G technology, the provision of internet connectivity to approximately 400 educational institutions, the installation of more than 600 new sites with 4G or higher technology, improvements in service quality and user experience, and the establishment of reduced tariff caps aimed at promoting affordability and narrowing the digital divide.

Telecommunications Policy

In February 2015, the National Assembly enacted the *Ley Orgánica de Telecomunicaciones* (the "Telecommunications Law") as a means to improve access to quality telecommunications services and to increase the use of information technology in rural sectors.

In 2022, a new schedule of fees for telecommunication and broadcasting services and for use of radiospectrum was issued with the goal of reducing costs to final users and promoting greater access to the new technologies.

The Government also established telecommunications reforms in 2022, including: (i) the reduction of the ICE for fiber optic cables; (ii) the elimination of tariffs for routers, satellite dishes and technological equipment; and (iii) the obligation to allocate 50% of the revenue from the universal service contribution and up to 50% of the rates for payment of the use of the radio spectrum to reinvest in order to meet the 'Universal Service' target, closing the digital divide and for the modernization of the State.

In February 2023, the *Ley Orgánica de Transformación Digital* (the "Law for Digital Transformation") was enacted to promote opportunities in the global digital economy and to reduce the digital divide through the deployment of community networks in marginal and rural urban areas. The law, which amended multiple related legal frameworks, forms the backbone of Ecuador's digital regulatory system. Since its entry into force, one of the most significant developments has been the amendment to its general regulation, approved through Executive Decree 464 on November 22, 2024, which strengthened cybersecurity and digital governance through the creation of a National Cybersecurity Committee responsible for coordinating the prevention of and response to incidents in the digital environment. Following its enactment, the Government developed the Digital Transformation Public Policy 2025–2030, which was issued on April 8, 2025. This policy establishes the strategic framework for modernizing the State, advancing digital inclusion and supporting Ecuador's economic development by strengthening technological infrastructure, promoting the responsible use of emerging technologies and consolidating a secure, inclusive and competitive digital ecosystem.

Within the pillar on Digital Infrastructure, significant progress has been achieved, including the implementation of 5G technology, with plans to expand its use through Industry 4.0 applications and the execution of key instruments such as the National Telecommunications Plan, the Universal Service Plan and the Telecommunications and Radio Spectrum Public Policy 2026–2029. In the area of Digital Culture, Inclusion and Economy, digital literacy and access to technology have been enhanced through the operation of 1,012 free digital access points nationwide. In 2026, the Government is expected to launch the National Digital Commerce Strategy and the National Digital Economy Strategy, alongside the implementation of STEM laboratories to reduce the digital divide and foster productive innovation.

Regarding Emerging Technologies, the Government has developed the Strategy for the Ethical and Responsible Development and Use of Artificial Intelligence, and plans to introduce the Comprehensive Digital Agenda 2025–2030, the National IoT Strategy and the country's first research center dedicated to emerging technologies. In the area of Digital Government and Interoperability, major progress includes the digitalization and simplification of administrative procedures through the GOB.EC platform and the expansion of electronic signatures and digital authentication mechanisms with full legal validity. With respect to Digital Security and Trust, the implementation of the national CSIRT has strengthened the State's capacity to prevent, detect and mitigate cybersecurity incidents, thereby supporting the continuity of digital public services and protecting critical infrastructure.

Other Sectors of the Economy

Economic Sectors

In 2022, revenues from non-oil sources in the non-financial public sector totaled U.S.$28,345.8 million, an 11.8% increase from U.S.$25,356.0 million in 2021. In 2023, revenues from non-oil sources in the non-financial public sector totaled U.S.$29,998.8 million, a 5.8% increase from U.S.$28,345.8 million in 2022. In 2024, revenues from non-oil sources in the non-financial public sector totaled U.S.$31,329.8 million, an increase of 4.4% compared to U.S.$29,998.8 million in 2023. As of September 30, 2025, revenues from non-oil sources in the non-financial public sector totaled U.S.$24,791.9 million, an increase of 2.4% compared to U.S.$24,202.0 million for the same period in 2024.

Between January and October 2025, non oil exports increased by 19.7%, reaching a total value of approximately U.S.$23,967 million and significantly exceeding oil exports in value, primarily reflecting both higher exports of shrimp, cocoa and bananas and the lower price of petroleum during that period. During the same period, oil exports decreased by 20.5% as a result of lower production volumes and operational constraints, reducing their relative share of total exports and supporting a greater diversification and resilience of the non oil external sector.

Agriculture

Before the discovery of petroleum fields in provinces of the Orient region in the 1970's, the agriculture sector had traditionally been the largest contributor to Ecuador's GDP. In 2023, of Ecuador's total 261 million hectares, 5.1 million were devoted to agriculture and livestock. Ecuador's diverse climatic conditions, varying altitudes and rich volcanic soil are well suited to tropical and subtropical agriculture. Ecuador's primary product from this sector, which is also the Republic's most significant non-oil export, is bananas. Ecuador also exports significant amounts of coffee, flowers, and cacao.

In 2024, the agricultural sector continued to play a central role in Ecuador's economy and labor market. Approximately one in three Ecuadorians was employed in agriculture, and the sector accounted for an estimated 42% of the country's total exports. Supported by fertile soils and favorable climatic conditions, Ecuador produces a wide range of agricultural goods, including cocoa, dragon fruit and broccoli, which have contributed to the sector's expansion in international markets. Notwithstanding this performance, the authorities have identified the need to further diversify agricultural production toward higher value-added goods, including processed products such as avocado oil and chocolate manufactured from Ecuador's fine-flavor cocoa, as well as to promote the adoption of more efficient irrigation systems and technically advanced cultivation methods in order to improve productivity, environmental sustainability and climate resilience.

In 2022, the agricultural sector represented 6.1% of GDP, compared to 6.6% of GDP in 2021. In 2023, the agricultural sector represented 6.8% of GDP, compared to 6.1% of GDP in 2022. In 2024, the agricultural sector represented 8.3% of GDP, compared to 6.8% of GDP in 2023. As of September 30, 2025, the agricultural sector represented 9.1% of GDP, compared to 8.1% of GDP for the same period in 2024.

In 2022, banana and plantain exports totaled U.S.$3,267.6 million, a 6.2% decrease from U.S.$3,485.5 million in 2021, primarily due to reduced exports to Europe following the war between Russia and Ukraine. In 2023, banana and plantain exports totaled U.S.$3,770.7 million, a 15.4% increase from U.S.$3,267.6 million in 2022, primarily due to a 14.0% increase in prices. In 2024, banana and plantain exports totaled U.S.$3,838.7 million, an increase of 1.8% from U.S.$3,770.7 million in 2023, primarily due to higher export volumes. As of September 30, 2025, banana and plantain exports totaled U.S.$3,173.0 million, an increase of 11.9% compared to U.S.$2,835.9 million for the same period in 2024, primarily due to higher export volumes and favorable international prices.

In 2022, cocoa and cocoa product exports totaled U.S.$1,005.7 million, a 6.9% increase from U.S.$940.3 million in 2021, primarily due to increased exports to Malaysia, Canada and China. In 2023, cocoa and cocoa product exports totaled U.S.$1,322.8 million, a 31.5% increase from U.S.$1,005.7 million in 2022, primarily due to a 33.2% increase in average international cocoa prices. In 2024, cocoa and cocoa product exports totaled U.S.$3,617.9 million, an increase of 173.5% from U.S.$1,322.8 million in 2023, primarily due to a significant increase in international cocoa prices. As of September 30, 2025, cocoa and cocoa product exports totaled U.S.$3,333.4 million, an increase of 50.6% compared to U.S.$2,212.8 million for the same period in 2024, primarily due to continued strength in international prices.

In 2022, flower exports totaled U.S.$120.4 million, a 54.0% increase from U.S.$78.2 million in 2021. In 2023, flower exports totaled U.S.$130.7 million, an 8.6% increase from U.S.$120.4 million in 2022, primarily due to higher export volumes. In 2024, flower exports totaled U.S.$145.0 million, an increase of 11.0% from U.S.$130.7 million in 2023, primarily due to higher international prices. As of September 30, 2025, flower exports totaled U.S.$104.1 million, a 2.8% decrease compared to U.S.$107.1 million for the same period in 2024, primarily due to lower export volumes.

In February 2024, Russia imposed a partial ban on Ecuadorian banana imports in retaliation against Ecuador for its negotiations at the time of an arms deal with the United States. This action could have had significant economic implications for Ecuador, as Russia accounted for approximately 20% of Ecuador's banana exports in 2023. The Russian veto extended beyond bananas, with threats to restrict imports of Ecuadorian carnations as well. On February 23, 2024, the Government cancelled the planned arms exchange with the United States after learning that some of the weapons were intended to be sent to Ukraine. See "*The Republic of Ecuador—Recent Geopolitical Conflicts.*"

In addition, one of the main economic effects of the Russia/Ukraine war on Ecuador has been a shortage of fertilizers and grains, which led to an increase in international prices caused by the decrease in Russian and Ukrainian production from the international market. For Ecuador, this resulted in higher production costs for farmers. The Government responded by seeking alternative suppliers and implementing programs to support domestic fertilizer production. In 2023, Ecuador signed agreements with Morocco and Bolivia to secure fertilizer supplies, helping to stabilize prices for agricultural inputs. In the energy sector, the steady rise in oil and gas prices also affected the costs of fertilizers. In this context, Ecuador had to look for other agricultural supplies from different countries, such as the United States, China, Italy and Chile. The effect of the war on domestic prices has been largely contained by Government subsidies on fuel and urea, as well as the appreciation of the U.S. dollar. See "*The Republic of Ecuador—Recent Geopolitical Conflicts.*"

In furtherance of these objectives, the IADB approved a U.S.$40 million investment loan in 2024 to support the development of Ecuador's agricultural public services, to be executed by the National Institute of Agricultural Research (INIAP) and the AGROCALIDAD. The financing is intended to strengthen agricultural research capacity, promote technology transfer, improve information management systems and consolidate governance of the national agricultural research, development and innovation framework. The program also seeks to enhance agricultural health services by improving laboratory diagnostic capacity, strengthening risk management systems and expanding disease and pest surveillance, thereby contributing to food safety. The project includes the construction and upgrading of infrastructure designed in accordance with environmental sustainability and accessibility criteria, the deployment of advanced digital tools, including solutions based on artificial intelligence and virtual reality, and the training of technicians and producers in the adoption of new technologies and good agricultural practices. The program is expected to directly benefit more than 13,000 producers, with particular emphasis on rural women, indigenous communities and Afro-Ecuadorian populations, and to contribute to improved institutional governance and climate resilience within the agricultural sector.

Fishing

Another important aspect of Ecuador's agriculture is its fishing exports. Ecuador exports significant amounts of tuna and other fish; however, its predominant fishing export is shrimp. Ecuador is the largest shrimp producer in the Americas, and one of the largest in the world. Since 2019, Ecuador's shrimp exports have grown significantly as a result of improvements in productivity, investment in research and development and innovation, allowing Ecuador to gain market share and displace traditional exporters such as India and Thailand.

In 2022, shrimp exports totaled U.S.$7,289.3 million, a 36.9% increase from U.S.$5,323.3 million in 2021, primarily due to the rebound in demand, the reopening of markets and new sales channels, and changes in consumption patterns following the lifting of social-distancing and lockdown measures imposed in response to the COVID-19 pandemic. In 2023, shrimp exports totaled U.S.$7,205.2 million, a 1.1% decrease from U.S.$7,289.3 million in 2022, primarily due to lower international prices. In 2024, shrimp exports totaled U.S.$6,991.7 million, a 3.0% decrease compared to U.S.$7,205.2 million in 2023, primarily due to lower international prices and softer external demand. During the nine months ended September 30, 2025, shrimp exports totaled U.S.$6,204.0 million, an increase of 19.5% compared to U.S.$5,191.3 million during the same period in 2024, primarily due to improved international prices and stronger demand in key export markets, including China.

In 2022, fishing exports, other than shrimp, totaled U.S.$385.2 million, a 4.9% increase from U.S.$367.2 million in 2021, primarily due to the rebound in demand, the reopening of markets and new sales channels, and changes in consumption patterns following the lifting of social-distancing and lockdown measures imposed in response to the COVID-19 pandemic. In 2023, fishing exports, other than shrimp, totaled U.S.$293.6 million, a 23.8% decrease from U.S.$385.2 million in 2022,

primarily due to the effects of heavy rains in the Costa region. In 2024, fishing exports, other than shrimp, totaled U.S.$333.1 million, an increase of 13.5% compared to U.S.$293.6 million in 2023, primarily due to improved weather conditions and higher catch volumes. During the nine months ended September 30, 2025, fishing exports, other than shrimp, totaled U.S.$272.7 million, an increase of 1.9% compared to U.S.$267.5 million during the same period in 2024, primarily due to more favorable ocean conditions following the rainy season.

Former President Lasso signed Decree 614 on December 2, 2022, eliminating a diesel subsidy for the shrimp industry for farms with more than 30 productive hectares (this was also a request from indigenous communities to focalize fuel subsidies). The Lasso Government estimated that this measure would allow yearly savings of approximately U.S.$160 million. On January 23, 2023, several reforms were presented for the regularization of diesel commercialization for the industrial sector.

Subsequently, pursuant to Executive Decree 215 of 2024, the Republic eliminated diesel subsidies for shrimp farming operations with fewer than 30 productive hectares, liberalizing prices for diesel consumed by that sector. In addition, pursuant to Executive Decrees 126 and 242 of 2025, the Republic modified the price stabilization mechanism applicable to the automotive segment for premium diesel, allowing for gradual convergence toward international prices and generating additional fiscal revenues through the mitigation of fuel subsidies.

Manufacturing

Manufacturing, excluding petroleum products, is dominated by consumer products such as food, beverages, textiles, and paper, with a concentration of imported intermediate and capital goods. The manufacturing sector contributed 12.2%, 12.4% and 11.9% to GDP per year in 2021, 2022 and 2023, respectively.

In 2022, non-oil industrialized exports (canned fish, other metal manufactures, leather, plastic and rubber manufacture, and vegetable oil extracts) totaled U.S.$2,315 million, an increase of 5.9% compared to U.S.$2,185 million in 2021.

In 2023, non-oil industrialized exports totaled U.S.$2,096 million, a reduction of 9.4% compared to U.S.$2,314 million in 2022. During the first seven months of 2024, the value of non-oil industrialized exports totaled U.S.$1,411 million, an increase of 18% compared to the same period in 2023.

In 2024, non-oil industrialized exports (including canned fish, other metal manufactures, leather, plastic and rubber manufactures, and vegetable oil extracts) totaled U.S.$9,922.0 million, an increase of 5.0% compared to U.S.$9,451.8 million in 2023. This increase was primarily driven by higher export volumes and improved external demand for manufactured products. During the nine months ended September 30, 2025, the value of non-oil industrialized exports totaled U.S.$8,342.8 million, an increase of 12.6% compared to U.S.$7,410.8 million during the same period in 2024, reflecting stronger performance across several manufacturing subsectors.

Ecuador's membership in international trade organizations and its status as a party to various multilateral agreements—such as partial scope agreements with Cuba, Mexico, Mercosur, Chile, Guatemala, Nicaragua and El Salvador under the Latin American Integration Association ("ALADI"), as well as an Agreement on Economic Integration with the European Free Trade Association ("EFTA"), its involvement in the Community of Latin American and Caribbean States ("CELAC") and the Community of Andean Nations ("CAN")—have contributed to the opening of new markets for the exports of Ecuador and challenged domestic manufacturers to gain competitiveness in the international market.

On December 12, 2014, representatives from Ecuador's Ministry of Foreign Commerce signed a trade agreement with the European Union. In 2023, 19% of Ecuador's non-oil exports, or U.S.$4,270 million, were exported to the European Union, compared to 18.2%, or U.S.$3,811 million, in 2022. On May 15, 2021, Ecuador, together with Peru and Colombia, signed a trade agreement with the United Kingdom to preserve their mutual trade commitments should the United Kingdom exit the European Union as a result of the United Kingdom's exit from the European Union. With this trade agreement, the Republic and the United Kingdom intended to replicate their trade commitments under the Multiparty Trade Agreement with the European Union. This agreement will not enter into force while the Multiparty Trade Agreement continues to apply to the United Kingdom. For more information, see "*Balance of Payments and Foreign Trade—Foreign Trade—Trade Policy*."

Since the ratification of the ICSID Convention in 2021 under former President Lasso, Ecuador concluded foreign trade agreement negotiations with China and South Korea. See "*Balance of Payments and Foreign Trade – Foreign Trade*."

Construction

In 2022, 2023 and 2024, the construction sector accounted for 4.3%, 4.2% and 3.9% of GDP, respectively. In 2022, construction activity increased by 16.2% in nominal terms compared with 2021, rising from U.S.$4,326 million to U.S.$5,028 million. In 2023, construction activity increased by 2.4% in nominal terms compared with 2022, reaching U.S.$5,147 million. In 2024, construction activity decreased by 4.7% in nominal terms compared with 2023, declining to U.S.$4,905 million.

Science and Technology

During 2024–2025, Ecuador continued implementing the Digital Transformation Agenda 2022–2025, a national strategy focused on the digitalization of public services, the modernization of the institutions of the Republic and the strengthening of information-technology capacities, in alignment with the current National Development Plan. As part of these efforts, the Government advanced initiatives aimed at expanding connectivity, improving the efficiency of public administration and fostering the adoption of digital tools across key sectors of the economy.

Ecuador also strengthened regional cooperation in science and technology, particularly through binational initiatives with neighboring countries. These initiatives include scientific fairs, joint educational programs and other collaborative projects aimed at promoting applied research, early-stage innovation and cross-border knowledge transfer.

Tourism

Between 2019 and 2023, tourism's participation in GDP showed an upward trend (except in 2020). This industry represented 1.4% of GDP in 2019 prior to the COVID-19 pandemic. In 2021, tourism represented 1.28% of GDP, 2.0% of household consumption and 4.8% of goods exports. In 2022, tourism represented 1.24% of GDP, 1.9% of household consumption and 4.0% of goods exports. In 2023, tourism represented 1.3% of GDP, 1.9% of household consumption and 4.3% of goods exports.

Between 2016 and 2019, foreign currency income from non-residents personal trips to Ecuador was approximately U.S.$1.8 billion per year. Mobility restrictions during the pandemic reduced this inflow to U.S.$590 million in 2020.

In 2025, the Government implemented a tax reform that included a reduction of the VAT rate applicable to tourism services to 8% during public holidays.

Transportation

The most significant road projects in Ecuador are the Manta (Ecuador)-Manaus (Brazil) road network, linking the Pacific Ocean with the Atlantic, and the Troncal-Amazonica road, which runs from north to south, linking the Colombian and Peruvian borders. The Troncal-Amazonica road was completed in early 2016 with the construction of the El Tigre bridge and a portion of the Manta-Manaus road network. Neither project is a toll road and both were financed by oil revenues and financing from CAF.

In the one-year period between May 2018 and May 2019, the Government invested approximately U.S.$800 million in building, rebuilding and expanding 14 highways and five bridges, and started the Quito-Guayaquil super-highway connecting Ecuador's two most important cities. During that period, the Government granted concessions for the construction of roads and highways connecting the cities of Machala and Salinas to Guayaquil, and started the process to grant a concession over the construction of a highway connecting Jujan, Quevedo and Santo Domingo.

In February of 2013, a new international airport opened in the suburbs of Quito. The airport cost U.S.$700 million and was financed by Quiport S.A., an international consortium led by AECON Construction Group and HAS Development Corporation ("AECON"). The airport features the largest control tower and the longest runaway of any international airport in Latin America. Phase 2 of the airport, which includes the expansion of the passenger terminal, new jet bridges, and the expansion of the shopping areas was financed by Quiport S.A. and cost U.S.$70.5 million. In 2025, a major expansion added over 17,000 m² to the terminal and increased its capacity to more than 7 million passengers annually, with new facilities and sustainability certifications completed by late 2025.

Construction of Phase 2 of the airport was completed in 2015 and began operating as a passenger terminal in May of that year. A new road and bridge to reduce congestion from the previous single bridge and highway that led to the airport have also been completed.

In February 2014, the municipality of Cuenca began construction of the Tranvía Cuatro Ríos, a 21.4km tram system with 27 stations. The project planned to connect the airport and city-center to the outlying suburbs of the city. The project was estimated to cost U.S.$232 million and was financed, in part, by a 15-year loan entered into in January 2013 pursuant to the French Government's Emerging Country Reserve Loan program.

Construction of a subway system in Quito based on the Metro of Madrid, began in 2012. It was officially inaugurated in December 2022 and became fully operational in December 2023. This metro system connects the northern business and residential areas of Quito to Quito's historic city center and consists of 22.5km of one subway line with 15 stations expected to serve approximately 400,000 daily passengers. The project's cost exceeded U.S.$2,009 million and was partially financed with loans from multilateral organizations such as the World Bank, the IDB, the European Investment Bank and CAF. Former President Lasso, during the celebration of the 488th anniversary of the founding of Quito, reaffirmed the Government's commitment to assume 50% of the outstanding debt for the Quito Metro, which is equivalent to U.S.$150 million, in addition to the U.S.$750 million already assumed by the Central Government.

Social Sectors and Indicators

Employment and Wages

The National Council on Employment and Wages sets the minimum wage for workers in the private sector on an annual basis. The monthly minimum wage for a job in the private sector increased from U.S.$425 for 2022 to U.S.$470 for 2025. Public sector employee wages are based on the wage scale determined by the Ministry of Labor.

The following table shows the increase in minimum wage from 2022 to 2025:

Minimum Wage

	2022	2023	2024	2025 [2]
		(in U.S.$)		
Monthly Minimum Wage [1]	425	450	460	470

Source: Republic of Ecuador, Ministry of Employment
(1) Minimum wages set annually.
(2) For 2025: Republic of Ecuador, Ministry of Employment, Ministerial Agreement MDT-2023-175.

Private employee salaries received a boost with the introduction of the 'Living Wage' concept into the Republic's labor laws in December 2010. This law dictates that any company that generates a profit will distribute it among its employees until their total income has risen to the level of the living wage. The value of the living wage is determined annually by INEC on the basis of the cost of living and the number of family members in each family unit.

The following table shows certain labor force and employment data for the periods indicated:

Labor Force and Employment

	As of December 31,				As of September 30,
	2021	2022	2023	2024	2025
			(in thousands of persons, except percentages)		
Total Population [1]	17,938	18,183	18,474	18,727	18,919
Labor Force [2]	12,758	12,941	13,129	13,309	13,446
Labor Force Participation [3]	8,603	8,358	8,613	8,570	8,874
Labor Force Participation Rate	67.4%	64.6%	65.6%	64.4%	66.0%
Employed Labor Force	8,246	8,091	8,322	8,340	8,590
Unemployed Labor Force	357	267	291	230	283
Unemployment Rate [4]	4.1%	3.2%	3.4%	2.7%	3.2%

Source: Data based on figures from INEC, National Survey: Employment, Unemployment and Underemployment (ENEMDU) Labor Indicators, as of October 2025.

(1) Total population numbers based on INEC's yearly projections.

(2) Refers to population above minimum working age (15 years old), irrespective of employment status. Information available at: INEC, Evolution of the Variables Investigated in the Censuses in Population and Housing of Ecuador 1950, 1962, 1974, 1982, 1990, 2001, and 2010. https/www.ecuadorencfras.gob.ec/documentos/wb-mec/Publicaciones/Evolucion_variables_1950_2010_24_04_2014.pdf

(3) Also referred to as economically active population.

(4) As a percentage of economically active population.

From December 2021 to December 2025, the rate of unemployment decreased from 4.1% as of December 31, 2021 to 2.6% as of December 31, 2025. The labor force participation rate of the Ecuadorian economy decreased by an aggregate of 2.1% from December 31, 2021 to September 30, 2025, while underemployment decreased 24.3% over the same period, from 23.0% in December 2021 to 17.4% in December 2025.

The following table sets forth information regarding the unemployment and underemployment rates for the periods indicated:

Wage and Unemployment

	As of December 31,				
	2021	**2022**	**2023**	**2024**	**2025**
	(% of economically active population)				
Unemployment rate [1]	4.1%	3.2%	3.4%	2.7%	2.6%
Underemployment rate [2]	23.0%	19.4%	21.2%	24.5%	17.4%

Source: Data based on the INEC, Labor and Business Statistics, National Unemployment and Underemployment Rates. https://www.ecuadorencifras.gob.ec/estadisticas-laborales-enemdu/

(1) Refers to population at or above the minimum working age that is not employed and is willing to work (even if not actively seeking work) as a percentage of the total labor force.

(2) Refers to individuals who are unable to obtain full-time work to receive a salary meeting the official minimum wage.

The Republic requested financial support from multilateral organizations such as CAF, the IDB, the IMF and the World Bank for assistance in combating unemployment and underemployment amounting to U.S.$4,337 million for the year 2022, U.S.$15 million for the year 2023 and U.S.$250 million for the year 2024.

Poverty

The urban poverty rate decreased to 17.8% as of December 2022 from 20.8% as of December 2021, while the rural poverty rate decreased to 41% from 42.4% across the same period, resulting in an aggregate decrease of the poverty rate from 27.7% as of December 2021 to 25.2% as of December 2022. Extreme poverty rates also decreased from 5.9% of all urban households as of December 2021 to 3.9% of all urban households as of December 2022, and 20.3% of all rural households as of December 2021 to 17.4% of all rural households as of December 2022, resulting in an aggregate decrease of the extreme poverty rate from 10.5% as of December 2021 to 8.2% as of December 2022.

The urban poverty rate increased to 18.4% as of December 2023 from 17.8% as of December 2022, while the rural poverty rate increased to 42.2% from 41.0% across the same period, resulting in an aggregate increase of the poverty rate from 25.2% as of December 2022 to 26.0% as of December 2023. Extreme poverty rates in turn decreased from 3.9% of all urban households as of December 2022 to 3.3% of all urban households as of December 2023, and increased from 17.4% of all rural households as of December 2022 to 23.7% of all rural households as of December 2023, resulting in an aggregate increase of the extreme poverty rate from 8.2% as of December 2022 to 9.8% as of December 2023.

The urban poverty rate increased to 20.9% as of December 2024 from 18.4% as of December 2023, while the rural poverty rate increased to 43.3% from 42.2% across the same period, resulting in an aggregate increase of the poverty rate from 26.0% as of December 2023 to 28.0% as of December 2024. Extreme poverty rates in turn increased from 3.3% of all urban households as of December 2023 to 6.0% of all urban households as of December 2024, and increased from 23.7% of all rural households as of December 2023 to 27.0% of all rural households as of December 2024, resulting in an aggregate increase of the extreme poverty rate from 9.8% as of December 2023 to 12.7% as of December 2024.

The urban poverty rate decreased to 15.7% as of December 2025 from 20.9% as of December 2024, while the rural poverty rate decreased to 41.7% from 43.3% across the same period, resulting in an aggregate decrease of the poverty rate

from 28.0% as of December 2024 to 24.0% as of December 2025. Extreme poverty rates in turn decreased from 6.0% of all urban households as of December 2024 to 3.5% of all urban households as of December 2025, and decreased from 27.0% of all rural households as of December 2024 to 25.1% of all rural households as of December 2025, resulting in an aggregate decrease of the extreme poverty rate from 12.7% as of December 2024 to 10.4% as of December 2025.The Republic believes that the significant expansion of the *Bono de Desarrollo Humano* ("Human Development Bond") undertaken by the Government represents an important means of support for Ecuadorian households living in poverty. The Human Development Bond is a cash transfer program for those in the lower 40% of income distribution who are either representatives of households (preferably women who are listed as heads of households or spouses), mothers of children under the age of 16, persons above the age of 65 who are not affiliated with a social security system, or persons with 40% or more of a disability who are not affiliated with a social security system.

The following table shows the percentage of households in poverty for the periods indicated.

Percentage of Households in Poverty

	Poverty Based on Income [1]			Extreme Poverty Based on Income [2]			Poverty Based on Lack of Basic Necessities [3]		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
					(%)				
December 2021	20.8%	42.4%	27.7%	5.9%	20.3%	10.5%	22.0%	57.0%	33.2%
December 2022	17.8%	41.0%	25.2%	3.9%	17.4%	8.2%	21.3%	53.3%	31.4%
December 2023	18.4%	42.2%	26.0%	3.3%	23.7%	9.8%	21.0%	52.0%	30.8%
December 2024	20.9%	43.3%	28.0%	6.0%	27.0%	12.7%	23.8%	50.8%	32.4%
December 2025	15.7%	41.7%	24.0%	3.5%	25.1%	10.4%	20.1%	53.9%	30.8%

Source: Data based on the INEC, Poverty Based on Income Results as of December 2021, 2022, 2023, 2024 and 2025. https://www.ecuadorencifras.gob.ec/pobreza-por-ingresos/

(1) Persons whose income is below the poverty line. As of December 2025, the poverty line, as determined by Ecuador, is U.S.$91.98/month, per person.
(2) As of December 2025, the extreme poverty line is U.S.$51.83/month per person.
(3) This number is based on information taken at the census regarding the lack of availability of basic necessities. Variables considered in this figure include literacy rates and access to potable water, sewage systems and hygienic services, electricity, running water, telephone lines, doctors and hospital beds per 1,000 persons.

Social Security

The social security system in Ecuador is administered by the IESS, the ISSFA and ISSPOL. The Ecuadorian Social Security System is a trans-generational model where the current work force funds the benefits of those who are no longer in the work force and also permits retirees to make on-going contributions to their retirement fund. Social security benefits are a constitutional right for all workers and their families, designed to protect the insured in case of illness, maternity, unemployment, disability, old age and death. The social security system also provides financing for workers' housing. Ecuador's social security system is financed by contributions from the Government, employers and employees. The level of employee contribution is based on an employee's income. The monthly pension is based on a percentage of the insured's average monthly earnings in his or her five highest years of earnings.

On October 21, 2016, the *Ley de Fortalecimiento a los Regímenes Especiales de Seguridad Social de las Fuerzas Armadas y de la Policía Nacional* (Law to Strengthen the Social Security System of the Armed Forces and National Police) was published and became effective. The law is intended to make the national system of social security more sustainable over time by making adjustments and improvements to the pensions of public servants from Ecuador's Armed Forces and National Police.

On June 18, 2018, the Law Reforming the Social Security Law was published and became effective. The law increases social security payments to retirees who belong to the Rural Social Security from U.S.$65 to U.S.$100, retroactive from January 1, 2018. The law also provides for automatic increases consistent with those of the minimum wage.

The minimum monthly pension for retirees who contributed to the IESS is U.S.$200 for ten or fewer years of contribution, U.S.$240 for 11 to 20 years of contribution, U.S.$280.20 for 21 to 30 years of contribution, U.S.$320 for 31 to 35 years, U.S.$360 for 36 to 39 years of contribution and U.S.$400 for 40 or more years of contribution. Retirees benefit from the IESS system once they have left employment.

In May 2022, following 21 years of accumulated State debt to the Ecuadorian Social Security Institute (IESS) related to the financing of health care benefits, the Ministry of Economy and Finance entered into an agreement with the IESS to formally recognize the outstanding obligations. This agreement included an initial disbursement of US$140 million. By the end of that year, the State disbursed a total of US$201 million in payments.

In 2023, the State continued to recognize the outstanding debt and executed an additional payment of U.S.$D 31 million. Subsequently, transfers made in 2024 totaled US$169 million. Finally, in 2025, a new framework agreement was executed, enabling the State to continue recognizing and regularizing the outstanding debt under this concept.

Regarding the budgetary allocations to the IESS for the State's 40 percent contribution to retirement pensions, as well as other related items—including mathematical reserves, Héroes y Heroínas benefits, unpaid household work, youth

employment programs, and outstanding obligations from previous years—the allocations amounted to US$2,089.20 million in 2022, US$2,424.26 million in 2023, US$2,828.05 million in 2024, and US$2,841.30 million in 2025.

Under Article 372 of the 2008 Constitution, the BIESS is responsible for channeling investments and managing public pension funds. Resolution JB-2009-1406, enacted in July 2009, sets the parameters for the types of investments allowed. Investments in real estate are only allowed in the long-term (over five years), investments in trusts are not allowed in the short-term (less than three years), and investments in public sector securities cannot exceed 75% of the market value of the fund. A risk committee must approve all investments. Investments must be rated by an approved rating agency, and no investment may be rated lower than specific thresholds set for that type of investment, as determined by the risk committee.

As of July 2024, BIESS was the largest holder of Government securities, with 45% of its portfolio investment, or U.S.$11.183 million, in Government holdings. BIESS held U.S.$10.329 million and U.S.$9.775 in 2023 and 2022, respectively. The primary functions of the BIESS are, among others, the provision of different financial services such as mortgages, pledge-backed loans and unsecured credits. Additional services include portfolio re-discount operations for financial institutions and other financial services in favor of retirees and other affiliates of the IESS by means of direct operations or through the national financial system. Additional bank functions include investment in infrastructure projects that generate financial profitability, added value and new sources of employment, as well as investments in fixed and variable income securities through the primary and secondary markets.

With respect to the reconciliation of the State's contribution equivalent to 40% of retirement pensions, as well as other related items, the MEF and the IESS have completed the reconciliation for the years 2015 through 2022, and the corresponding reconciliation records are currently undergoing final review. The provisional reconciled amount for that period totals approximately U.S.$2,603.25 million. The reconciliation of accounts for 2023 remains subject to review, taking into account that, on December 17, 2025, the MEF made a payment of approximately U.S.$259 million applied against historical obligations corresponding to that year.

Moreover, on October 30, 2025, the IESS and MEF entered into a new framework agreement governing health benefits. Pursuant to this agreement, the MEF is authorized to proceed with the validation of the databases submitted by the IESS in connection with health benefits expenditures. As of the date of this Offering Circular, the amounts claimed by the IESS in respect of the State's outstanding obligations for health benefits provided to retirees total approximately U.S.$593 million. In addition, health benefits related to catastrophic illnesses require the issuance of implementing regulations to the Social Security Law, in accordance with the opinion of the Office of the Comptroller General of the Republic set forth in report No. DAAC-0059-2017, in order to define the applicable contribution percentages of affiliates, employers and the State, as provided under the Social Security Law.

Education

Education is mandatory in Ecuador until the age of 14. The literacy rate for adults over 15 years of age was 96.3% in 2022, and has been above 90% since 2004.

In 2011, the Government implemented the *Ley Orgánica de Educación Intercultural* (Intercultural Education Law). The law created a standardized curriculum for all high schools, consolidated school systems to eliminate single-teacher schools, created a stringent evaluation system for teachers and schools, and launched a nation-wide literacy program. Under the reform, students receive free medical attention, school lunches, and uniforms.

The 2022 Budget allocated U.S.$4,861 million for Government education and other education initiatives. Education initiatives included the use of outside consultants to improve English education, the granting of scholarships to exceptional students for study in elite foreign universities, the inspection of Ecuador's universities to ensure that they meet a high standard quality, and various other projects administered by individual municipalities. The 2023, 2024 and 2025 Budgets allocated U.S.$5,583 million, U.S.$6,148 million and U.S.$7,189 million for Government education and other education initiatives, respectively. The 2026 Budget allocates U.S.$7,722 million for the education sector.

Health

The 2022, 2023, 2024 and 2025 Budgets allocated U.S.$3,162 million, U.S.$3,601 million, U.S.$4,301 million and U.S.$4,877 million for Ecuador's health sector, respectively. For 2026, the current budget bill allocates U.S.$5,601 million for the country's health sector.

Public Health System Management

Pursuant to Executive Decree 108, dated August 19, 2025, and published in Official Registry No. 116 on September 3, 2025, the Republic ordered the territorial reorganization and deconcentration of the Ministry of Public Health, centralized the procurement of medicines and strategic health inputs, and established the National Public Health Committee as a governmental coordination body to ensure timely, safe and quality access to public health services.

Additionally, pursuant to Executive Decree 133, dated September 15, 2025, and published in Official Registry No. 127 on September 18, 2025, the Ministry of Public Health was instructed to assess the appropriateness of declaring a state of emergency with respect to the acquisition of medicines, strategic health goods and related services in order to ensure their availability and access.

On September 29, 2025, through Resolution No. MSP-MSP-2025-0003-R, the Ministry of Public Health issued an institutional declaration of emergency for the procurement of medicines, strategic health goods and related services.

Also, pursuant to Executive Decree 243, dated December 12, 2025, the Republic amended the General Regulation to the Organic Law of the National Public Procurement System, with the objective of ensuring the continuous supply of medicines and strategic goods within the public health sector. See further "*—Social Security.*"

LEGAL PROCEEDINGS

The Republic is involved in certain litigation and administrative arbitration proceedings described below. Some of the proceedings described below are conducted pursuant to the mandatory arbitration provisions contained in the U.S.-Ecuador Bilateral Investment Treaty and the Canada-Ecuador Bilateral Investment Treaty, as applicable. These treaties aim to protect investors of both nations in the other country. An unfavorable resolution of some of these proceedings could have a material adverse effect on the Republic.

Chevron

In 2006, Chevron initiated arbitration proceedings against the Republic under the UNCITRAL Rules, alleging "denial of justice" under the U.S.-Ecuador Bilateral Investment Treaty. In August 2011, the arbitral tribunal held that Ecuador had breached such treaty and ordered Ecuador to pay U.S.$96 million plus compound interest from September 1, 2011. Chevron sought recognition and enforcement before the U.S. District Court for the District of Columbia, which confirmed that decision. Ecuador subsequently paid Chevron the total amount due, consisting of U.S.$96.4 million in principal and U.S.$16.4 million in interest.

Separately, in September 2009, Chevron initiated another UNCITRAL arbitration against Ecuador seeking indeminification relating to environmental claims brought by indigenous communities in Lago Agrio. In 2011, following domestic litigation, an Ecuadorian court entered a judgment against Chevron in the amount of U.S.$19 billion, later reduced to U.S.$9.5 billion. Chevron argued that Ecuador and Petroecuador bore exclusive responsibility for such liabilities pursuant to a 1995 settlement agreement ("1995 Settlement") and alleged breaches of both the1995 Settlement and the U.S.-Ecuador Bilateral Investment Treaty. Ecuador disputed that it had undertaken any obligation to indemnify Chevron for third-party claims.

The arbitration tribunal has divided the merits of the case into 3 tracks. Track 1 will decide issues relating to the 1995 Settlement and the obligation of Ecuador to indemnify Chevron from third party claims. Track 2 will decide issues relating to denial of justice claims by Chevron and the alleged breach of the U.S.-Ecuador Bilateral Investment Treaty. Once Tracks 1 and 2 have been decided on the merits, Track 3 will determine any monetary damages that resulted from the alleged breaches and will assess the monetary value of the environmental damage in the Lago Agrio community. On September 17, 2013 the arbitral tribunal issued a partial Track 1 award (Track 1A) where it agreed with the Republic in that the 1995 Settlement did not preclude the Lago Agrio plaintiffs from asserting claims "in respect of their own individual rights."

On March 12, 2015, the arbitral tribunal issued a second Track 1 (Track 1B) decision in favor of Ecuador, holding that the initial pleading brought by the Lago Agro plaintiffs qualified as an "individual rights" claim not barred by the 1995 Settlement.

On August 30, 2018, the tribunal issued a second partial award on Track 2 declaring that Ecuador is liable for denial of justice under the standards of fair and equitable treatment under the U.S.-Ecuador Bilateral Investment Treaty and under customary international law, and declaring that Ecuador is liable to make full reparation to Chevron. The arbitral tribunal is expected to make a determination regarding the amounts of any financial compensation owed by the Republic to Chevron by the end of the year 2021.

On December 10, 2018, Ecuador filed a request to set aside the second partial award on Track 2 before the District Court of The Hague, in the Netherlands. This request was dismissed by the court in April 2019.

On April 26, 2019, the arbitral tribunal issued Procedural Order No. 56, in which established the procedural calendar for Track 3 of the arbitration. Pursuant that calendar: (i) on May 31, 2019, Chevron was scheduled to present its memorial on damages; (ii) on February 20, 2020, Ecuador must present its response memorial to Chevron's memorial on damages; (iii) on September 18, 2020, Chevron must present its reply memorial on damages; (iv) on January 8, 2021, Ecuador must present its reply memorial on damages. The hearing on Track 3 of the arbitration took place place from March 15 to March 28, 2021.

On November 17, 2025, the Tribunal, accepting the majority of the arguments advanced by the State's defense, determined total compensation to Chevron in the amount of U.S.$220,81 million (U.S.$180,40million in principal and U.S.$40.40 million in pre-award interest). As a result, Chevron's total amount claimed of more than U.S.$3.13 billion was reduced by 93.4%. The Office of the Attorney General of the Republic will continue to represent the Republic of Ecuador in the fourth phase of the arbitral proceedings, concerning the determination of arbitration costs.

William and Roberto Isaías Dassum

In 2009, Ecuador initiated proceedings in the State of Florida against William and Roberto Isaías, former President and Executive Vice President of Filanbanco S.A., alleging embezzlement and falsification of financial statements that purportedly caused losses of approximately U.S.$661.5 million to the *Agencia de Garantía de Depósitos* ("AGD"). Although the trial court initially granted summary judgment against Ecuador on May 30, 2013, the District Court of Appeal for the Third District of Florida reversed a subsequent ruling in favor of the Isaías brothers on December 27, 2017, remanding the matter for a determination of damages. On September 11, 2025, the Eleventh Judicial Circuit Court of Miami-Dade County dismissed an Attorneys' Fees Motion filed by the Isaías brothers. The court held that it lacked jurisdiction and that the motion was untimely, noting that prior Ecuadorian insolvency judgments had res judicata effect. As a result, the Republic avoided a significant financial exposure. Ecuador continues to defend its interests in the related U.S. litigation. The court reiterated that it would not entertain collateral challenges to matters already resolved by Ecuadorian courts and emphasized the preclusive effect of the recognized insolvency judgments, thereby reinforcing the State's position and closing off an additional avenue of potential financial liability.

Hutchison Port Investments Ltd

In 2012, the Manta Port Authority (the "APM") represented by Ecuador's Attorney General (*Procuraduría General del Estado*) commenced an arbitration proceeding against Hutchison Port Investments Ltd. and Hutchison Port Holdings ("Hutchison"), in the *Centro de Arbitraje y Mediación de la Cámara de Comercio de Quito* ("Center for Arbitration and Mediation of Quito Chamber of Commerce") to recover U.S.$141 million in damages. APM alleges that it suffered these damages as a result of Hutchison's unilateral abandonment of the facilities and other defaults under a concession agreement to operate the port at Manta. Hearings took place from February 9 to 13, 2015 in Panama. On November 30, 2015, the arbitration tribunal decided in favor of Ecuador for an amount of U.S.$30 million.

The arbitral tribunal awarded APM U.S.$34.9 million for consequential damages and lost profits. After deduction of the contractual guarantee entered into by APM, the indemnification amount totaled U.S.$27.2 million (before adjusting current value). The tribunal also ordered the compensation of 50% of the arbitral costs to APM to be paid within thirty days from notification of the arbitral award.

On March 16, 2017, before the *Sala Cuarta de la Corte Suprema de Justicia* APM presented its opposition to the annulment petition by Hutchison in Panama on December 30, 2015 against the award in favor of APM. On March 15, 2019, the Supreme Court of Panama partially annulled the award in favor of APM. Although the amount of the award was not affected by the decision, the entities Hutchison Investments Limited and Hutchison Port Holdings Limited were excluded from the award. On March 21, 2019, Ecuador's Attorney General, in representation of APM, presented a request for clarification of the decision, which was denied on April 12, 2019. As of the date of this Offering Circular, no hearing date has been scheduled by the courts of the British Virgin Islands for enforcement of the award in the TIDE matter, and enforcement proceedings in Ecuador continue.

Coca Codo Sinclair

From 2012 to March 2017, CELEC EP – *Unidad de Negocio Coca Codo Sinclair* ("CCS"), an Ecuadorian public enterprise, and Sinohydro Corporation submitted various contractual disputes to the *Junta Combinada de Disputas* ("JCD" or "Combined Dispute Board"), established under the engineering, procurement and construction contract (the "EPC Contract") for the Coca Codo Sinclair hydroelectric project. The parties presented numerous claims -relating to time extensions, tax-related issues, design changes, and alleged breaches of national subcontracting requirements. Synohydro Corporation sought additional relief relating to capital exit taxes, engineering costs and geological conditions. The JCD issued 22 mandatory decisions, which both parties formally contested, thereby preserving their right to pursue arbitration under the EPC Contract. In April 2019, Sinohydro Corporation notified CCS of an additional dispute (Dispute 2019-001), concerning ARCONEL charges for plant unavailability, and a new JCD was entered into.

On May 17, 2021, CCS initiated arbitration before the International Chamber of Commerce, encompassing the disputes previously addressed through the JCDs. Sinohydro Corporation filed its answer and counterclaims on August 17, 2021. A hearing on the merits took place in Madrid in May 5, 2025, followed by a final hearing on July 3, 2025. The parties subsequently submitted post-hearing briefs, and the deadline for costs submissions remains pending.

In mid-2025, the Coca Codo Sinclair project experienced a significant political and diplomatic development. Following an official visit to Beijing by President Daniel Noboa, during which he met with Chinese President Xi Jinping, the Republic announced that it had reached an agreement with PowerChina, the parent company of Sinohydro, pursuant to which PowerChina will assume operational control of the Coca Codo Sinclair hydroelectric plant. As part of this agreement, PowerChina agreed to pay approximately U.S.$200 million in compensation and U.S.$200 million in credits, and, in exchange, the Republic will terminate the international arbitration proceedings it initiated in 2021 seeking approximately U.S.$580 million in damages in connection with alleged structural defects at the plant, including the detection of more than 17,000 cracks since commencement of operations, as well as defective valves and improperly installed components.

Caribbean Financial International Corp v. Ecudos – Corporación Azucarera Ecuatoriana Coázucar

On July 11, 2012, Caribbean Financial International ("CFI") filed a breach-of-contract action in the the *Juzgado Duodécimo de Circuito Civil del Primer Circuito Judicial de Panamá* (the "Twelfth Court of the Civil Circuit in the First Circuit of Panama") against Ecudos S.A. (now Corporación Azucarera Ecuatoriana S.A. "Coazucar") for amounts arising under a cntract originally executed between CFI and Trainsainer S.A., which was later absorved by Ecudos thorugh merger. The contract contemplated CFI's sale of its equity in Durches S.A. and Ecuados S.A. to Trainsainer S.A., together with a ten-year U.S.$60 million credit granted by CFI and evidenced by a promissory note due in October 2010. The Republic of Ecuador intervened in the proceedings pursuant to an indemnity obligation contained in the contract.

On April 18, 2018, the Twelfth Court of the Civil Circuit in the First Circuit issued a first-instance judgment holding Ecudos liable for U.S.$106.18 million, including costs and expenses. Ecuados appealed, and CFI opposed the appeal. In April 2022, the First Superior Court of the First Judicial District of Panama") granted the appeal filed by the Office of the Attorney General of the Republic and reversed the first-instance ruling.

CFI subsequently filed a cassation petition. The formalization of the appeal was notified on January 16, 2024, and the case file was transmitted to the Civil Chamber of the Supreme Court of Justice of Panama. On May 29, 2024, counsel for the Office of the Attorney General of the Republic submitted briefs opposing the admissibility of the cassation appeal. As of the date of this Offering Circular, the matter remains pending a decision from the Supreme Court on the admissibility of the cassation petition.

AECON

On January 19, 2018, Ecuador received a notice of dispute from AECON under Articles II, VIII, XII and XIII of the bilateral investment treaty between Ecuador and Canada. AECON alleged that Ecuador breached guarantees of legal stability contained in an investment agreement and, as a result, violated the treaty's fair and equal treatment standard, culminating -according to AECON- in the expropriation of its investment. The claimed amount is approximately U.S.$29 million.

Following the notice of dispute, the arbitral tribunal held a hearing on the merits in November 2022, and the parties filed their final submissions on costs in May 2023. As of the date of this Offering Circular, the case remains pending the issuance of the arbitral award.

Ecuador TLC

On 29 September 2020, Ecuador TLC S.A. initiated arbitration proceedings against the Republic of Ecuador, seeking over U.S.$100 million in its statement of claim, corresponding to the share allegedly owed to Petromanabí S.A. from the liquidation of the Participation Contract for Hydrocarbon Exploration and Crude Oil Exploitation in Block 18 (dated December 19, 1995 and amended on October 31, 2008), as well as the Unified Exploitation Operational Agreement for the Hollín shared reservoir in the Palo Azul field and its amending agreement—matters previously addressed in the 2014 Ecuador TLC II arbitration. The Claimant asserts standing through an alleged assignment of rights from Petromanabí purportedly arising from a Joint Operating Agreement among the Block 18 operators. The arbitration remains pending in Phase III, with the Parties scheduled to submit their reply and rejoinder in January and February 2026.

Bellwether

Pursuant to the Agreement between the Government of the Republic of Ecuador and the Government of the United States of America for the Promotion and Protection of Investments, Bellwether International Inc. alleges that Ecuador adopted unjustified and discriminatory measures in breach of the Fair and Equitable Treatment standard, the prohibition of

expropriation, and the obligation to protect investments. The dispute arises from the unilateral termination of the Contract for the Exploitation of Crude Oil and Additional Hydrocarbon Exploration in the Campo Marginal Charapa, following the issuance of Resolution No. 61 dated 2 February 2011, and from the zero-value liquidation imposed upon such termination. On 13 November 2025, Bellwether submitted its Statement of Claim, and the Republic of Ecuador is required to file its Statement of Defense by 13 March 2026. The claimed amount is U.S.$ 125.8 million.

Junefield

Junefield has initiated arbitration proceedings against the Republic of Ecuador, alleging violations of the Bilateral Investment Treaty between Ecuador and China arising from measures that adversely affected its investment in the mining project operated through its subsidiary Ecuagoldmining in the Río Blanco community, Province of Azuay. The Claimant contends that Ecuador unlawfully expropriated its investment through the suspension of the mining project pursuant to two judicial decisions issued by Azuay courts, and further alleges that the mine suffered attacks by anti-mining groups. The jurisdictional phase concluded with a Partial Award dated 2 June 2025, dismissing certain claims for lack of jurisdiction. The arbitration is currently in the merits phase. The claimed amount is U.S.$160 million.

OCP

In April 2025, Oleoducto de Crudos Pesados, a Cayman subsidiary wholly owned by Pampa, initiated an International Centre for Settlement of Investment Disputes (the "ICSID") arbitration against Ecuador in connection with the Ecuador's alleged failure to release approximately U.S.$100 million in environmental and operational guarantees issued in relation to the expiration and handover of the OCP pipeline concession. Pampa asserts that, following the transfer of ownership and operational control of the pipeline to the Republic in November 2024, the guarantees should have expired in early March 2025, absent valid claims, but that Ecuador and the issuing bank have not confirmed their release. OCP seeks either compensation for damages allegedly resulting from the continued enforcement of the guarantees or payment of an amount equivalent to their value.

On November 14, 2025, counsel for OCP informed the Arbitral Tribunal of the release of the guarantees by the Republic and, consequently, requested the discontinuance of the arbitration. On December 15, 2025, on which date the Republic of Ecuador advised that it did not object to OCP's proposal to discontinue the arbitration, pursuant to Article 56 of the ICSID Arbitration Rules. The Tribunal's issuance of the order closing the proceedings is currently pending. As a result, the claim against the Republic of Ecuador will be extinguished.

Proceedings brought against public entities

Consur

In 2016, CONSUR R7H entered into the Contract for the Design, Financing, Construction, Operation, and Maintenance of the Ruta Siete–Huaquillas Project with the Ministry of Transport. CONSUR brought a claim for breach of contract against the Ministry of Transport and Public Works. The claimed amount is U.S.$ 70 million. On 14 November 2025, the Ministry of Transport submitted its Rejoinder. The hearing is scheduled to take place in Buenos Aires in March 2026.

Cuyabenopetro

By Notice of Arbitration dated 2 April 2025, Cuyabenopetro S.A. commenced UNCITRAL arbitration against EP Petroecuador, based on Contract No. C0403-PAM-EP-2018 for the provision of integrated specific services with contractor financing, including drilling, well completion, reactivation of shut-in wells, and construction and expansion of related facilities in the Cuyabeno–Sansahuari Field of the Amazon Region. The contract was later modified by the First Amending Addendum (27 December 2021) and the Second Amending Contract (29 September 2023). The Claimant is scheduled to file its Statement of Claim on 13 February 2026. The claimed amount is U.S.$ 60 million.

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

Given Ecuador's dollarized economy, the balance of payments is important in determining money supply and the sustainability of the monetary system. A positive balance of payments strengthens the assets of the Central Bank and increases money supply while a negative balance of payments weakens the assets of the Central Bank and decreases support for the money supply.

Following the IMF's recommendations to improve the quality and coverage of balance of payments, the Central Bank commenced the process of migrating from the fifth edition of the IMF's Balance of Payments and International Investment Position Manual to the sixth edition as the basis for the calculation methodology of Ecuador's balance of payments. In its Staff Report for the 2019 Article IV Consultation, the IMF observed that "*the authorities should strengthen compilation and dissemination and migrate to the sixth edition of the BPM6.*" In March 2020, the Central Bank announced it had finalized the implementation of this new methodology involving changes such as joining the goods and services accounts, introducing the concept of primary and secondary income, conforming the financial account to general accounting principles, and others. Under this new methodology, the Central Bank no longer releases an analytical bulletin of the balance of payments, and therefore does not show whether the balance of payments over a given period resulted in surplus or deficit.

In 2021, the current account was positive, registering a surplus of U.S.$3,040.4 million. The surplus was primarily due to the surplus in the goods account (U.S.$2,992.6 million), and a positive secondary income account (U.S.$3,857.6 million). The capital account stood at U.S.$-223.6 million, while the financial account stood at U.S.$3,056 million.

In 2022, the current account registered a surplus of U.S.$2,247.4 million, or 1.9% of GDP. The surplus was primarily due to the positive goods account (U.S.$2,544.2 million), and the positive secondary income account (U.S.$4,109.7 million). The capital account turned positive, reaching U.S.$85.5 million. The financial account increased, primarily due to an increase in acquisition of financial assets.

In 2023, the current account registered a surplus of U.S.$2,346.5 million, an increase of U.S.$99.1 million compared to the U.S.$2,247.4 million surplus in 2022. This increase in the surplus was primarily due to the positive goods account (U.S.$2,206.8 million), the secondary income account (U.S.$4,766.9 million) and the reduction of the services account deficit. The capital account decreased slightly. The financial account also showed a surplus associated with the decrease in net liabilities and reserve assets.

In 2024, the current account increased strongly and registered a surplus of U.S.$7,058.8 million, or 3.4% of GDP. This surplus was primarily due to an increase in export of goods (U.S.$34,699.5 million) and the decrease in imports of goods (U.S.$27,887.3 million). The secondary income account also increased to reach U.S.$5,920.7 million. The capital account remained almost unchanged, while the financial account increased to U.S.$6,534.0 million.

For the nine months ended September 30, 2025, the current account registered a surplus of U.S.$5,748.5 million. The capital account increased slightly to U.S.$78.9 million, while the financial account reached U.S.$4,228.6 million. According to official data published by the Central Bank of Ecuador, macroeconomic projections indicate positive GDP growth, with preliminary growth of 4.3% for the period ended June 30, 2025 and 3.3% for the period ended September 30, 2025.

The following table sets forth information regarding the Republic's balance of payments for the periods indicated.

Annual Balance of Payments[1]

	For the year ended December 31,				For the nine months ended September 30,	
	2021	2022	2023	2024	2024	2025
			(in millions of U.S.$)			
Current Account	**3,040.4**	**2,247.4**	**2,346.5**	**7,058.8**	**5,221.7**	**5,748.5**
Goods[2][3]	**2,992.6**	**2,544.2**	**2,206.8**	**6,812.2**	**5,226.6**	**4,791.7**
Exports	26,967.6	33,033.3	31,484.0	34,699.5	25,631.6	27,535.9
Imports[4]	23,975.0	30,489.1	29,277.2	27,887.3	20,405.0	22,744.2
Services	**-2,076.7**	**-2,487.6**	**-1,806.5**	**-2,310.2**	**-1,640.8**	**-1,412.9**
Exports	2,419.5	3,667.5	4,337.1	3,864.9	2,871.3	3,053.6
Transportation	972.4	1,411.3	1,834.5	1,562.3	1,195.2	1,097.5
Travel	1,054.8	1,793.2	1,986.6	1,777.8	1,303.8	1,415.8
Other	392.3	463.0	516.0	524.8	372.3	540.3
Imports	4,496.2	6,155.1	6,143.6	6,175.1	4,512.1	4,466.5
Transportation	2,029.1	3,008.1	2,093.7	2,123.6	1,534.7	1,602.7
Travel	808.0	1,071.5	1,371.2	1,477.8	1,121.2	1,054.3
Other services	1,659.1	2,075.6	2,678.7	2,573.7	1,856.2	1,809.5
Primary Income	**-1,733.2**	**-1,918.9**	**-2,820.7**	**-3,363.9**	**-2,623.0**	**-2,867.9**
Credit	27.3	204.2	292.3	292.9	212.7	194.1
Debit	1,760.4	2,123.1	3,113.0	3,656.8	2,835.7	3,061.9
Compensation of Employees	8.9	6.0	6.4	5.2	3.8	4.2
Investment income	1,751.5	2,117.1	3,106.6	3,651.6	2,831.9	3,057.8
Direct investment	299.2	345.1	319.1	385.8	277.7	554.7
Portfolio investment income	107.6	317.0	474.2	572.8	571.6	740.9
Other investment	1,344.8	1,455.1	2,313.2	2,693.0	1,982.7	1,762.1
Secondary Income	**3,857.6**	**4,109.7**	**4,766.9**	**5,920.7**	**4,258.9**	**5,237.6**
Credit	4,820.1	5,259.6	5,934.4	7,082.7	5,152.7	6,124.9
General Government	200.9	234.4	209.8	239.2	172.2	162.5
Financial corporations, non-financial corporations, households, and NPISHs	4,619.2	5,025.2	5,724.6	6,843.6	4,980.6	5,962.4
Debit	962.5	1,149.8	1,167.5	1,162.0	893.9	887.4
General Government	30.9	67.7	11.2	8.3	0.0	0.0
Financial corporations, non-financial corporations, households, and NPISHs	931.6	1,082.1	1,156.4	1,153.7	0.0	0.0
Capital Account	**-223.6**	**85.5**	**81.9**	**82.0**	**59.6**	**78.9**
Credit	162.9	96.7	93.1	93.2	68.0	87.3
Debit	386.5	11.2	11.2	11.2	8.4	8.4
Financial Account	**3,056.4**	**2,024.6**	**362.8**	**6,534.0**	**5,244.1**	**4,228.6**
Acquisition of Financial assets, net	**3,531.1**	**4,725.5**	**3,981.9**	**5,795.8**	**2,714.1**	**2,759.1**
Direct Investment	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio Investment	-306.8	453.8	1,479.1	2,940.2	1,656.6	965.4
Other Investments	3,837.8	4,271.7	2,502.8	2,855.6	1,057.5	1,793.7
Liabilities, net	**1,422.4**	**3,269.0**	**-665.9**	**1,267.6**	**1,132.9**	**-1,077.5**
Direct Investment	651.4	882.0	482.7	438.0	363.9	832.0
Portfolio Investment	-222.4	-727.6	-676.5	-1,133.9	-104.1	-81.1
Other Investments	993.4	3,114.6	-472.1	1,963.6	873.1	-1,828.4
Reserve Assets	**947.7**	**568.2**	**-4,285.0**	**2,005.7**	**3,662.9**	**392.0**
Errors and Omissions	**239.5**	**-308.3**	**-2,065.6**	**-606.9**	**-37.2**	**-1,598.8**

Source: Data based on figures from the Central Bank 2025 Quarterly Balance of Payments Bulletin for the third quarter of 2025. Balance of payments data is published by the Central Bank on an annual and quarterly basis.
https://contenido.bce.fin.ec/documentos/PublicacionesNotas/Catalogo/IEMensual/m2085/IEM-321-i.xlsx

(1) Provisional data
(2) Includes goods acquired in port by means of transportation.
(3) Includes unregistered trade. See methodological note on balance of payments.
(4) Includes imports by the Directorate of Strategic Goods.

Current Account

In 2022, the current account registered a surplus of U.S.$2,247.4 million, a decrease of U.S.$793.0 million compared to the U.S.$3,040.4 million surplus in 2021. This decrease was primarily due to the increase in imports of goods and services associated with higher international prices of energy, food, raw materials like fertilizers, and freights as a result of the war in Ukraine. In 2023, the current account registered a surplus of U.S.$2,346.5 million, an increase of U.S.$99.1 million compared to the U.S.$2,247.4 million surplus in 2022. This increase in the surplus was primarily due to the positive goods account

(U.S.$2,207.8 million), the secondary income account (U.S.$4,767.0 million) and the reduction of the services account deficit. In 2024, the current account registered a surplus of U.S.$7,058.8 million, an increase of U.S.$4,712.4 million compared to the U.S.$ 2,346.5 million surplus in 2023. This increase in the surplus was primarily due to the positive goods account (U.S.$6,812.2 million) and the secondary income account (U.S.$5,920.7 million).

For the nine months ended September 30, 2025, the current account registered a surplus of U.S.$5,748.5 million, compared to a surplus of U.S.$5,221.7 million for the same period in 2024. This increase in surplus was mainly explained by an increase in exports of goods, which rose from U.S.$25,631.6 million in the first nine months of 2024 to U.S.$27,535.9 million in the same period of 2025, primarily associated with non-oil products and raw materials.

According to the Central Bank's balance of payments statistical bulletin, imports in 2024 totaled U.S.$27,684.5 million, representing a decrease compared to 2023, primarily due to due to lower imports of raw materials and fuels and lubricants. In 2023, according to the Central Bank's balance of payments statistical bulletin, imports totaled U.S.$29,123.6 million compared to U.S.$30,316.9 million in 2022. This decrease in the level of imports was primarily due to lower imports of raw materials and fuels and lubricants. For the ten months ended October 31, 2025, imports totaled to U.S.$26,908.7 million, compared to U.S.$ 26,801.2 million during the same period in 2024, reflecting an increase in the purchase of raw materials, fuels and lubricants and capital goods.

The trade balance for 2024 resulted in a surplus of U.S.$6,736.4 million, compared to a surplus of U.S.$2,002.9 million in 2023. This increase in the surplus was primarily due to an increase in coffee and coffee products (10.9%), and cocoa and cocoa products (173.5%). The trade balance from January 1, 2025 to September 30, 2025 resulted in a surplus of U.S.$4,805.5 million, as compared to a surplus of U.S.$5,173.6 million in the same period in 2024. This increase in the surplus was primarily due to an increase in banana and plantain exports (11.9%), shrimp exports (19.5%), cocoa and cocoa products exports (50.6%), and non-traditional products exports (12.6%), associated with international price trends.

Exports in 2024 increased to U.S.$34,420.8 million, as compared to U.S.$31,126.5 million in 2023. This increase was primarily due to an increase in cocoa and cocoa products exports by 173.5%. Exports from January 1, 2025 to October 31, 2025 increased to U.S.$30,511.6 million, as compared to U.S.$28,252.7 million during the same period of 2024. This increase in exports was primarily due to the increase in cocoa and cocoa products exports (46.4%) and shrimp exports (22.0%) associated to the upward trend in international prices.

Imports in 2024 decreased to U.S.$27,684.5 million, as compared to U.S.$29,123.6 million in 2023. This decrease was primarily due to lower imports of raw materials, fuels and lubricants, and industrial capital goods, reflecting weaker domestic demand. Imports from January 1, 2025 to October 31, 2025 increased to U.S.$ million, as compared to U.S.$ million during the same period of 2024. This increase in imports was primarily due to the increase in the purchase of raw materials, fuels and lubricants and capital goods.

In 2024, the services balance resulted in a deficit of U.S.$2,310.2 million, an increase as compared to the U.S.$1,806.5 million deficit in 2023. This increase was primarily due to a decrease services exports, particularly in transportation and travel. For the nine months ended September 30, 2025, the services balance resulted in a deficit of U.S.$856.0 million, a decrease as compared to a deficit of U.S.$953.2 million during the same period in 2024. This decrease was primarily due to an increase in services exports, particularly travel-related services, and a reduction in imports of travel and other services.

The primary income balance in 2024 resulted in a deficit of U.S.$3,363.9 million, an increase as compared to the U.S.$2,820.7 million deficit in 2023. This increase was primarily due to the rise in on direct, portfolio and other investment liabilities The primary income balance for the nine months ended September 30, 2025, the primary income balance resulted in a deficit of U.S.$2,867.9 million, an increase as compared to a deficit of U.S.$2,623.0 million during the same period in 2024. This increase was primarily due to investment income payments, reflecting increased debt service obligations and higher international interest rates.

Remittances, which are primarily denominated in U.S dollars and Euros, are an important source of net transfers to Ecuador's current account. In 2023, remittances totaled U.S.$5,447.5 million, an increase compared to the U.S.$4,743.5 million in 2022. In 2024, remittances totaled U.S.$7,168.0 million, an increase compared to U.S.$5,447.5 million in 2023. This increase was primarily due to factors such as economic conditions in key host countries, including the United States and Spain. For the nine months ended September 30, 2025, remittances totaled U.S.$6,607.1 million, compared to U.S.$5,241.4

million during the same period in 2024, representing an increase. This increase was primarily due greater flows, particularly from the United States.

Capital and Financial Accounts

The capital and financial account measures valuations in Ecuador's assets and liabilities against those of the rest of the world (other than valuations from exceptional financings). In 2023, the balance of the capital and financial accounts registered a surplus of U.S.$444.7 million, compared to a surplus of U.S.$2,110.1 million in 2022. This decrease in the surplus was primarily due to a significant reduction in net financial inflows, reflecting a decline in portfolio investment liabilities and other investment inflows, as well as a larger accumulation of reserve assets. Other investment assets decreased from U.S.$4,271.7 million in 2022 to U.S.$2,502.8 million in 2023. In addition, portfolio investment liabilities decreased from U.S.$3,256.2 million in 2022 to U.S.$-386.4 million in 2023. During the same period, reserve assets decreased from U.S.$568.2 million in 2022 to U.S.$-4,285.0 million in 2023.

In 2024, the balance of the capital and financial accounts registered a surplus of U.S.$6,616.0 million, compared to a surplus of U.S.$444.7 million in 2023. This increase in the surplus was primarily due to a substantial rise in net financial inflows, driven by a sharp increase in other investment liabilities and portfolio investment inflows, together with a reduction in reserve asset accumulation relative to the prior year. Other investment assets increased from U.S.$2,502.8 million in 2023 to U.S.$2,855.6 million in 2024, while portfolio investment liabilities increased from U.S.$-386.4 million in 2023 to U.S.$2,940.2 million in 2024. In addition, reserve assets increased from U.S.$-4,285.0 million in 2023 to U.S.$2,005.7 million in 2024.

For the nine months ended September 30, 2025, the capital and financial accounts resulted in a surplus of U.S.$ million, compared to a surplus of U.S.$ 3 million for the same period in 2024. This increase in the surplus was primarily due to a higher net inflow from financial account transactions, including increased portfolio investment inflows and other investment liabilities.

In 2024, FDI totaled U.S.$438.0 million, a decrease compared to the FDI of U.S.$482.7 million in 2023. This decrease was primarily due to lower inflows in manufacturing, petroleum, and transportation, storage and communications. In 2023, FDI totaled U.S.$482.7 million, a decrease compared to the FDI of U.S.$882.0 million in 2022.

For the nine months ended September 30, 2025, FDI totaled U.S.$ million, an increase compared to the FDI of U.S.$ million for the same period in 2024. This increase was primarily due to higher inflows in agriculture, commerce and services rendered to businesses.

As of September 30, 2025, the net value of foreign transfers made by households and companies stood at U.S.$3,104.0 million.

International Reserves

According to Article 137 of the Monetary and Financial Code (as amended by the Organic Law Reforming the Organic Monetary and Financial Code for the Defense of Dollarization), Ecuador's international reserves ("International Reserves") are defined as the total foreign currency assets and financial instruments held by the Central Bank against non-residents, denominated in currencies that are considered convertible, liquid and freely available. The International Reserves are comprised of the following assets:

1. gold held by the Central Bank;

2. banknotes and coins denominated in freely convertible currencies at the Central Bank;

3. net short-term deposits in financial institutions and international financial organizations;

4. liquid, negotiable debt securities denominated in freely convertible currencies and issued by, or endorsed by, foreign governments, central banks, or international financial organizations;

5. collection rights to international financial organizations;

6. special drawing rights (“SDRs”) maintained by the Republic in the IMF accounts;

7. the Republic’s reserve position in the IMF; and

8. any other negotiable financial asset abroad as determined by the Monetary Policy and Regulation Board.

International Reserves

	As of December 31,				
	2021	2022	2023	2024	2025
			(in million U.S.$)		
International Reserves	7,897.9	8,458.7	4,454.4	6,899.5	9,795.1

As of December 31, 2022, Ecuador’s International Reserves totaled U.S.$8,458.7 million, an increase U.S.$7,897.9 million as of December 31, 2021. This increase was primarily due to disbursements received from multilaterals and increase in hydrocarbon exports due to higher international prices.

As of December 31, 2023, Ecuador’s International Reserves totaled U.S.$4,454.4 million, a decrease from U.S.$8,458.7 million as of December 31, 2022. The decrease was primarily due to a higher external debt service, an increase in the import of derivatives and in transfers abroad from public and private sectors, and a decrease in public debt disbursements.

As of December 31, 2024, Ecuador’s International Reserves totaled U.S.$6,899.5 million, an increase from U.S.$4,454.4 million as of December 31, 2023. This increase was primarily due to a recovery in the net position in currency, including higher cash in currency and increased deposits in foreign banks and financial institutions, as well as an increase in gold holdings.

As of December 31, 2025, Ecuador’s International Reserves totaled U.S.$ 9,795.1million, an increase from U.S.$ 6,899.5million as of December 31, 2024. This increase was primarily due to the year-on-year growth in external debt disbursements, cash deposits in BCE vaults, and public-sector foreign transfers.Foreign Trade

Merchandise and Services Trade

Traditionally, Ecuador’s exports have been concentrated in a limited number of sectors and destined primarily for markets such as the United States, the European Union, and the Andean Community. However, in recent years, the country has implemented a strategic policy of productive diversification, expanding the range of goods and services offered for export. In addition to this shift in the productive base, Ecuador has also diversified the destinations of its exports, reducing its dependence on a small group of markets. As a result, Ecuadorian products are now present in a broader array of international destinations, which has strengthened the resilience of the export sector and mitigated risks associated with external shocks in any single market. This diversification strategy supports the country’s objective of achieving more sustainable and inclusive economic growth.

Since 1972, petroleum and petroleum derivatives have comprised the majority of Ecuadorian export products. According to exports (FOB) data, in 2022, 2023 and 2024, exports of petroleum and petroleum derivatives accounted for approximately 35.5728.8%, % and 2.18% of total exports, respectively.

According to exports (FOB) data, overall exports have increased from U.S.$26,699.3 million in 2021 to U.S.$32,658.3 million in 2022, U.S.$31,126.5 million in 2023 and U.S.$34,420.8 million in 2024. Overall exports for the ten months ended October 31, 2025 totaled U.S.$ million, compared to U.S.$ million during the same period in 2024.

The following table shows the overall balance of trade for the periods indicated:

Overall Balance of Trade[(1)]

	Exports (FOB)	Imports (FOB)	Balance
		(in millions of U.S.$)	
Year ended December 31, 2021	26,699.3	23,831.0	2,868.3
Year ended December 31, 2022	32,658.3	30,316.9	2,341.4

Year ended December 31, 2023	31,126.5	29,123.6	2,002.9
Year ended December 31, 2024	34,420.8	27,684.5	6,736.4
Ten months ended October 31, 2024	28,252.7	22,679.0	5,573.7
Ten months ended October 31, 2025	30,511.6	25,344,0	5,167.6

Source: Data from the Ministry of Economy and Finance, Investor Relations, Trade Balance/Exports. https://contenido.bce.fin.ec/documentos/PublicacionesNotas/Catalogo/IEMensual/m2070/IEM-322-i.xlsx
(1) Data for exports and imports reflect Balance of Payments figures.

Overall Balance of Trade[(1)]

	Exports (FOB)	Imports (FOB)	Balance
		(in millions of U.S.$)	
First Quarter of 2024	8,075.94	6,366.55	1,709.38
Second Quarter of 2024	8,876.57	6,841.72	2,034.85
Third Quarter of 2024	8,457.38	7,027.98	1,429.40
Fourth Quarter of 2024	9,010.94	7,448.23	1,562.72
First Quarter of 2025	9,302.39	7,004.12	2,298.27
Second Quarter of 2025	9,511.51	7,619.38	1,892.13
Third Quarter of 2025	8,522.61	7,907.49	615.12

Source: Data from the Ministry of Economy and Finance, Investor Relations, Trade Balance/Exports. https://contenido.bce.fin.ec/documentos/PublicacionesNotas/Catalogo/IEMensual/m2070/IEM-322-i.xlsx.
(1) Data for exports and imports reflect Balance of Payments figures.

Trade Policy

Ecuador's trade policy has focused on protecting dollarization, avoiding a decrease in the money supply, integrating into the international economy, increasing the access of Ecuadorian goods and services to new markets and, until recently, reducing non-tariff barriers to trade.

Until the late 1980s, Ecuador used tariff barriers to protect its domestic industry against foreign competition. Import duties ranged from 0% to 290%, with up to 14 different rates. The Republic has been a member of the World Trade Organization ("WTO") since January 21, 1996.

In the early 1990s, the Government began to significantly liberalize its foreign trade policy. As a result of those reforms, the tariff structure was simplified and currently consists of a seven-tiered structure (0%, 3%, 5%, 10%, 15%, 20% and 35%), with levels of 5% for most raw materials and capital goods, 10% or 15% for intermediate goods, and 20% for most consumer goods. A small number of products, including planting seeds, are subject to a tariff rate of 0%, while the 35% tariff is exclusively applied to the automobile industry. Average tariff levels were reduced from 29% in 1989 to 6% in 2004.

In 2007, Ecuador introduced the ISD, an exit tax of 0.5% on any currency leaving Ecuador, which was subject to a number of exemptions. Since December 2007, Ecuador has progressively increased the ISD as a measure to support a positive balance of trade. The tax acts as a devaluation of the U.S. dollar in Ecuador, thereby making imports more expensive and fostering local production. In 2008, Ecuador increased the ISD to 1% and eliminated the applicable exemptions. In December 2009, the ISD increased from 1% to 2% and included an exemption for the first U.S.$500 per transaction. In November 2011, the ISD increased from 2% to 5% and included an exemption for the first U.S.$1,000 in a 15-day period as long as no debit or credit card is used in the transaction. Payments of external public debt and dividends paid to foreign shareholders are also exempt from this tax. From January 1, 2022, a lower rate of 4.75% was applied, with a progressive decrease to 3.5% by March 31, 2024. Since April 1, 2024, the rate returned to 5%. Additionally, the exempt amount for purchases abroad with credit or debit cards evolved over time. In 2016, the exemption was raised to U.S.$1,098 and U.S.$5,000 if a debit or credit card was used, respectively. For the fiscal years 2022, 2023, and 2024, this exemption increased to U.S.$5,109.79 per year. In November 2024, this value has increased based on the CPI for the month of November of 2024.

On December 12, 2014, representatives from Ecuador's Ministry of Foreign Commerce signed a trade agreement with the European Union for Ecuador's accession to the Multiparty Trade Agreement entered between the European Union and Colombia and Peru on June 26, 2012. The agreement was intended to provide expanded access to the European market for Ecuadorian exports and lower tariff duties on European imports into the Ecuadorian market. As part of the agreement reached in 2014, Ecuador was allowed to benefit from the European Union's Generalized Scheme of Preferences Plus program

until 2016 or until the trade agreement was in place. This benefit allowed Ecuador to not pay tariffs on exports of Ecuadorian products into the European Union.

On November 11, 2016, Ecuador signed the accession agreement to the Multiparty Trade Agreement with the European Council. The trade agreement required the approval of each of the National Assembly, the European Parliament, and the legislatures of the 28 European Union member countries in order to be effective. In January 2017, both the European Union and Ecuador implemented the trade agreement on a provisional basis pursuant to Article 3 of the European Council's decision (EU) 2016/2039 with the exception of Articles 2, 202(1), 291 and 292 of the trade agreement. The agreement allows Ecuadorian products (including fishing products, bananas, flowers, coffee, cocoa, fruits, and nuts) to have greater access to the European market. Through an evaluation of the trade agreement by the European Union in 2020, Ecuador was identified as the country that had experienced the greatest economic impact since the trade agreement with the European Union entered into force in 2017, ahead of Colombia and Peru–- countries that also share the same free trade agreement.

On May 15, 2019, Ecuador, together with Peru and Colombia, signed a trade agreement with the United Kingdom to preserve their mutual trade commitments should the United Kingdom exit the European Union. With this trade agreement, the Republic and the United Kingdom intended to replicate trade commitments under the Multiparty Trade Agreement with the European Union. This agreement did not enter into force while the Multiparty Trade Agreement continues to apply to the United Kingdom. On July 27, 2020, Ecuador ratified the Trade Agreement with the United Kingdom of Great Britain and Northern Ireland.

In September 2020, the Foreign Trade Committee temporarily extended customs tax payments for commercial activities that promote the productive development of Ecuador. In addition, the Foreign Trade Committee reduced the national tax for the promotion of agriculture, aquaculture and weighing.

In September 2021, the Foreign Trade Committee approved a reduction of the customs tax for raw materials and capital goods to promote production and competitive improvement.

In order to alleviate the effects of the COVID-19 crisis on the population and on Ecuador's healthcare system and the resulting economic situation, the Government, among other measures, temporarily reduced import duties to 0% for certain medical supplies and equipment, and temporarily increased other import duties to boost revenue.

Over the past two years, the Foreign Trade Committee ("COMEX") has adopted a series of trade policy measures aimed at enhancing competitiveness, facilitating access to production inputs and supporting export oriented sectors. These measures include tariff liberalizations for certain agricultural products, such as red and yellow pitahaya, and the creation of a specific tariff subheading for guayusa. COMEX has also implemented import quotas with reduced tariffs for inputs and strategic goods used in the transportation, agricultural and metalworking sectors, including tires, wheat, wire rod and electric generators.

COMEX has enacted environmental and conservation oriented measures, including prohibitions on the export of tagua seeds and all crab species. COMEX has also issued the prior opinions required to initiate negotiations for a trade agreement and a bilateral investment treaty with the United Arab Emirates and for the Sustainable Investment Facilitation Agreement ("SIFA") with the European Union. In addition, COMEX established a U.S.$20 tariff on courier shipments, with the objective of protecting domestic production and addressing market distortions.

Ecuador was recently selected by the Millennium Challenge Corporation (MCC) as an eligible country to develop a compact. This selection reflects progress toward fiscal stability, improvements in the investment climate and the strengthening of strategic international partnerships. See "*Balance of Payments and Foreign Trade Foreign Trade*."

Regional Integration

Ecuador's trade integration policy consists of entering new markets strategically, promoting the growth of non-traditional exports, and encouraging investment. Ecuador has intensified its efforts to strengthen trade arrangements with its primary partners, including:

- Removing regional trade restrictions as a member of ALADI (a regional external trade association comprised of Ecuador, Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela).

- Reducing or eliminating tariff barriers to trade as a member of the Andean community, except with respect to measures taken to increase the Republic's balance of payments in 2009 as a result of the global recession.

- Entering into bilateral trade agreements with Colombia, Venezuela and Bolivia that are aimed at levying uniform tariffs on goods from third parties.

- Entering into a bilateral trade agreement with Chile in 1994, which was expanded in 2008.

- Negotiating a bilateral association agreement with Paraguay.

- Maintaining preferential access to the European Union through preferential trade status.

- Entering into the *Sistema Unitario de Compensación Regional* ("Regional Payment Compensation Unitary System" or "SUCRE") with the governments of Bolivia, Ecuador, Cuba, Honduras, Nicaragua and Venezuela in 2009, which sets forth an account unit and function as a means of payment, intended to be used by national banks and to eliminate the use of currency for international trade transactions.

- Signing a trade agreement with the European Union in July 2014 that expands access to the European market for Ecuadorian exports and lowers tariff duties on European imports into the Ecuadorian market.

- Requesting in July 2018 to be considered as an Associate State of the Pacific Alliance. During the XXI Summit of the Pacific Alliance, the members voted to allow Ecuador to join the Alliance as an Associated State. Ecuador has begun bilateral negotiations with Chile and Mexico. Negotiations with Chile ended in February 2020; the terms of the agreement are still being negotiated with Mexico. Once Ecuador has finalized the negotiation with Mexico, Ecuador will continue its process to join the Pacific Alliance as a State Party. As of September 2024, Ecuador's process of joining the Pacific Alliance appears to be at a standstill as a result of stalled negotiations with Mexico on a free trade agreement (as described below), which would be required to join the alliance.

- Entering into a trade agreement with the United Kingdom in January 2021 to preserve their mutual trade commitments as a result of Brexit.

- Starting negotiations in 2022 with Mexico on a free trade agreement. Negotiations for a free trade agreement between Ecuador and Mexico began in 2022, but soon encountered major obstacles. Key issues included the rules of origin for tuna and market access for Ecuadorian shrimp and bananas—critical sectors for Ecuador. Mexico refused to open these markets, which was unacceptable to Ecuador. By January 2023, former President Lasso announced that trade talks with Mexico had reached a "dead end." Negotiations remain stalled as of the date of this Offering Circular.

- Launching in November 2022 exploratory discussions toward a potential Canada-Ecuador free trade agreement, which could potentially impact Ecuador's negotiations with Mexico. On December 13, 2023, Canada's Minister of Export Promotion, International Trade and Economic Development tabled a Notice of Intent to initiate negotiations for a Canada-Ecuador free trade agreement. On March 19, 2024, Canada's objectives for negotiations with Ecuador were tabled in the House of Commons.

- Joining on May 15, 2023 the Global Trade and Gender Arrangement (GTAGA), which aims to promote gender-responsive trade policies and advance gender equality in trade. On the same date, Ecuador also joined the Inclusive Trade Action Group (ITAG) to work on making international trade policies more inclusive.

- Concluding a foreign trade agreement with China in May 2023. This agreement was subsequently ratified by the National Assembly in February 2024. The agreement covers 17 disciplines, including tariff reduction, trade facilitation, sanitary and phytosanitary measures, e-commerce, investment cooperation, and dispute settlement. It eliminates tariffs on 90% of traded goods, with about 60% of tariffs removed immediately upon entry into force, and aims to strengthen bilateral trade, investment, and cooperation between Ecuador and China.

- Concluding negotiations on a free trade agreement with Costa Rica. This agreement became effective on October 1, 2024. The agreement grants immediate tariff-free access for over 70% of exportable goods, with more than

92% benefiting from gradual tariff preferences, and includes provisions on labor, environment, regulatory best practices, MSMEs, and e-commerce. It is expected to increase bilateral trade and investment, and promote deeper regional integration.

- Concluding negotiations on a free trade agreement with Canada. The Canada-Ecuador Free Trade Agreement negotiations concluded in February 2025; once ratified, the agreement will eliminate tariffs on approximately 97% of Canadian imports into Ecuador and includes provisions on services, investment, environment, labour, Indigenous Peoples, gender equality, and SMEs

- Concluding negotiations on a comprehensive trade agreement with the United Arab Emirates. As of May 2025, Ecuador and the UAE have advanced technical meetings on market access, investment, customs cooperation, and sanitary standards, following the signing of a joint declaration to negotiate a trade agreement in April 2024.

- Concluding negotiations on a Strategic Economic Cooperation Agreement with South Korea. The agreement was signed on September 2, 2025, and will eliminate 92.8% of Ecuador's tariffs on Korean goods and 96.4% of Korea's tariffs on Ecuadorian goods, with additional cooperation in technology, energy, infrastructure, and supply chains, pending ratification by both countries' legislatures.

- Agreeing in January 2026 to a Framework for an Agreement on Reciprocal Trade with the United States, establishing the foundation for a future bilateral agreement aimed at expanding market access and strengthening economic engagement. The Framework provides for the reduction or elimination of selected tariff and non-tariff barriers, including commitments relating to agricultural tariffs, import licensing, and the acceptance of certain U.S. regulatory standards. It also addresses trade facilitation, digital trade, labor and environmental provisions, and includes cooperation on supply-chain resilience and non-market policies. Once finalized, the agreement is expected to grant Most Favored Nation (MFN) tariff treatment in the United States for qualifying Ecuadorian products.

Composition of Trade

In 2023, according to the Central Bank's balance of payments statistical bulletin, exports amounted to U.S.$31,126.5 million, a decrease of 5% compared to U.S.$32,658.3 million in 2022. This decrease was primarily due to a decrease in oil, tuna and other fish exports.

In 2024, according to the Central Bank's balance of payments statistical bulletin, exports amounted to U.S.$34,420.8 million, an increase of 10.6% compared to U.S.$31,126.5 million in 2023. This increase was primarily due to higher exports of crude oil, shrimp, cocoa and cocoa products, and other products.

During the ten months ended October 31, 2025, according to the Central Bank's balance of payments statistical bulletin, exports amounted to U.S.$30,511.6 million, an increase of 7.4% compared to U.S.$ 28,252.7 million during the same period of 2024. This increase was primarily driven by higher exports of shrimp, bananas and plantains, cocoa and cocoa products, and other products.

In 2023, according to the Central Bank's balance of payments statistical bulletin, imports totaled U.S.$29,123.6 million, a decrease of 3.9% compared to U.S.$30,316.9 million in 2022. This decrease was primarily due to lower imports of raw materials and fuels and lubricants.

In 2024, according to the Central Bank's balance of payments statistical bulletin, imports totaled U.S.$27,684.5 million, a decrease of 4.9% compared to U.S.$29,123.6 million in 2023. This decrease was primarily due to lower imports of raw materials, fuels and lubricants, and industrial capital goods, reflecting weaker domestic demand.

During the ten months ended October 31, 2025, according to the Central Bank's balance of payments statistical bulletin, imports amounted to U.S.$26,908.7 million, an increase of 0.4% compared to U.S.$26,801.2 million during the same period in 2024, and overall remained stable throughout the period .

The following table sets forth information regarding exports for the periods indicated:

Exports - (FOB)[1]
(in millions of U.S.$ and as a % of total exports)

	For the Year Ended December 31,								For the Ten Months Ended October 31,			
	2021		2022		2023		2024		2024		2025	
	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%
Crude oil	7,278.2	27.3%	10,034.5	30.7%	7,823.4	25.1%	8,646.5	25.1%	7,383.2	26.1%	5,971.4	19.6%
Petroleum derivatives[2]	1,329.1	5.0%	1,552.5	4.8%	1,128.2	3.6%	925.7	2.7%	850.5	3.0%	572.9	1.9%
Bananas and plantains	3,485.5	13.1%	3,267.6	10.0%	3,770.7	12.1%	3,838.7	11.2%	3,143.9	11.1%	3,517.3	11.5%
Coffee & coffee products	78.2	0.3%	120.4	0.4%	130.7	0.4%	145.0	0.4%	116.9	0.4%	114.8	0.4%
Shrimp	5,323.3	19.9%	7,289.3	22.3%	7,205.2	23.1%	6,991.7	20.3%	5,697.3	20.2%	6,948.5	22.8%
Cocoa & cocoa products	940.3	3.5%	1,005.7	3.1%	1,322.8	4.2%	3,617.9	10.5%	2,547.2	9.0%	3,729.5	12.2%
Tuna[3] and other fish	367.2	1.4%	385.2	1.2%	293.6	0.9%	333.1	1.0%	285.7	1.0%	297.8	1.0%
Other products*	7,897.6	29.6%	9,003.2	27.6%	9,451.8	30.4%	9,922.0	28.8%	8,228.0	29.1%	9,359.4	30.7%
Total	**26,699.3**	**100.0%**	**32,658.3**	**100.0%**	**31,126.5**	**100.0%**	**34,420.8**	**100.0%**	**28,252.7**	**100.0%**	**30,511.6**	**100.0%**

Source: Based on figures from the Central Bank October 2025 Monthly Bulletin (Table 3.1.2).

(1) The data is definitive until 2020, and from 2021 it is provisional; the reprocessing is carried out in accordance with the receipt of source documents related to foreign trade operations. As of 2021, it includes re-export figures, in accordance with the recommendations of the international methodology.
(2) Includes private sector exports of fuels, lubricants and other oil by-products.
(3) Includes whole tuna fish, tuna fillets, and other fillets.
(4) Includes vehicles and their components.

"Other products" consist of non-traditional primary and manufactured products, including abaca, wood, other primary products, processed coffee, processed cacao products, fish flour, other canned seafood, chemicals and pharmaceutical products, hats, textile manufactured products and other industrialized products.

The following table sets forth information regarding imports for the periods indicated:

Imports – (CIF)
(in millions of U.S.$ and as a % of total imports)

	For the Year Ended December 31,								For the Ten Months Ended October 31,			
	2021		2022		2023		2024		2024		2025	
	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%
Consumer goods	**5,551.9**	**21.6%**	**6,587.2**	**19.9%**	**6,924.1**	**22.4%**	**6,444.8**	**21.9%**	**5,275,1**	**21.8%**	**6,013,0**	**22.3%**
Non-durable goods	3,144.6	12.2%	3,625.4	11.0%	3,892.8	12.6%	3,630.0	12.3%	3,005,0	12.4%	3,200.0	11.9%
Durable goods	2,107.8	8.2%	2,599.0	7.9%	2,638.6	8.5%	2,227.4	7.6%	1,873,7	7.8%	1,959.0	7.3%
Postal traffic	299.5	1.2%	362.7	1.1%	392.7	1.3%	587.3	2.0%	396,8	1.6%	853.9	3.2%
Fuels and lubricants	**4,805.7**	**18.7%**	**8,001.8**	**24.2%**	**7,444.5**	**24.1%**	**7,365.7**	**25.0%**	**5,983,0**	**24.8%**	**5,866.0**	**21.8%**
Raw materials	**9,918.7**	**38.6%**	**11,969.3**	**36.2%**	**10,083.0**	**32.6%**	**9,426.6**	**32.0%**	**7,869,8**	**32.6%**	**9,070.4**	**33.7%**
Agriculture	2,044.3	8.0%	2,667.6	8.1%	2,457.1	8.0%	2,237.2	7.6%	1,902,0	7.9%	2,018.2	7.5%
Industrial	7,311.0	28.5%	8,485.1	25.7%	6,921.5	22.4%	6,568.0	22.3%	5,457,0	22.6%	6,424.4	23.9%
Construction materials	563.4	2.2%	816.5	2.5%	704.3	2.3%	621.4	2.1%	511,3	2.1%	627.7	2.3%
Capital goods	**5,296.3**	**20.6%**	**6,350.2**	**19.2%**	**6,353.2**	**20.6%**	**6,175.5**	**20.9%**	**4,958,1**	**20.5%**	**5,878.4**	**21.8%**
Agriculture	163.9	0.6%	177.9	0.5%	160.0	0.5%	170.9	0.6%	137,3	0.6%	174.1	0.6%
Industrial	3,668.3	14.3%	4,276.3	12.9%	4,414.2	14.3%	4,489.3	15.2%	3,555,0	14.7%	4,116.0	15.3%
Transportation equipment	1,464.1	5.7%	1,896.0	5.7%	1,779.0	5.8%	1,515.3	5.1%	1,266.0	5.2%	1,588.6	5.9%
Other	**117.0**	**0.5%**	**140.5**	**0.4%**	**96.9**	**0.3%**	**78.5**	**0.3%**	**64,3**	**0.3%**	**81.0**	**0.3%**
Total	**25,689.7**	**100.0%**	**33,048.9**	**100.0%**	**30,901.6**	**100.0%**	**29,491.1**	**100.0%**	**24,150.3**	**100.0%**	**26,909.0**	**100.0%**

Source: Based on figures from the Central Bank October 2025 Monthly Bulletin (Table 3.1.7)

The following table sets forth information regarding the country of destination of the Republic's exports for the periods indicated:

Exports - (FOB) by Destination Country[1]
(in millions of U.S.$, and as a % of total exports)

	For the Year Ended December 31,								For the Ten Months Ended October 31,			
	2021		2022		2023		2024		2024		2025	
	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%	U.S.$	%
Americas												
United States[2]	6,344.6	23.8%	8,983.4	27.5%	7,351.1	23.6%	6,974.9	20.3%	5,965.0	21.1%	5,575.0	18.3%
Chile	1,120.5	4.2%	1,288.9	3.9%	978.4	3.1%	948.2	2.8%	826.5	2.9%	619.9	2.0%
Colombia	851.9	3.2%	976.4	3.0%	775.9	2.5%	850.3	2.5%	692.5	2.5%	729.3	2.4%
Panama	3,969.5	14.9%	4,575.3	14.0%	4,472.8	14.4%	6,286.0	18.3%	5,142.2	18.2%	5,614.0	18.4%
Peru	618.7	2.3%	936.0	2.9%	974.9	3.1%	1,109.3	3.2%	883.9	3.1%	793.1	2.6%
Other (Americas)	1,229.4	4.6%	1,563.9	4.8%	1,723.5	5.5%	1,977.6	5.7%	1,566.9	5.5%	1,866.1	6.1%
TOTAL AMERICAS	**14,134.7**	52.9%	**18,323.9**	56.1%	**16,276.7**	52.3%	**18,146.2**	52.7%	**15,077.0**	53.4%	**15,197.4**	49.8%
Europe												
European Union (EU)	3,768.2	14.1%	3,882.5	11.9%	4,269.6	13.7%	5,884.4	17.1%	4,829.9	17.1%	5,987.6	19.6%
Italy	550.1	2.1%	557.2	1.7%	629.3	2.0%	746.7	2.2%	612.2	2.2%	764.6	2.5%
Germany	363.5	1.4%	318.1	1.0%	415.8	1.3%	788.3	2.3%	686.7	2.4%	587.5	1.9%
Spain	732.0	2.7%	946.0	2.9%	854.0	2.7%	1,010.0	2.9%	836.5	3.0%	1,066.0	3.5%
Other (EU)	2,122.6	8.0%	2,061.2	6.3%	2,370.5	7.6%	3,339.4	9.7%	2,694.6	9.5%	3,569.5	11.7%
United Kingdom	287.8	1.1%	253.4	0.8%	283.0	0.9%	319.6	0.9%	264.4	0.9%	298.1	1.0%
Rest of Europe	1,483.7	5.6%	1,316.4	4.0%	1,325.7	4.3%	1,402.8	4.1%	774.9	2.7%	909.4	3.0%
TOTAL EUROPE	**5,539.8**	20.7%	**5,452.3**	16.7%	**5,878.2**	18.9%	**7,606.8**	22.1%	**6,248.8**	22.1%	**7,711.3**	25.3%
Asia												
Japan	260.5	1.0%	404.5	1.2%	227.1	0.7%	415.5	1.2%	346.8	1.2%	329.5	1.1%
China	4,074.9	15.3%	5,809.7	17.8%	5,672.9	18.2%	5,089.8	14.8%	4,216.9	14.9%	4,741.3	15.5%
South Korea	206.0	0.8%	196.1	0.6%	80.2	0.3%	142.7	0.4%	111.7	0.4%	122.4	0.4%
Other countries	2,041.2	7.6%	2,154.8	6.6%	2,581.8	8.3%	2,628.6	7.6%	1,931.60	6.8%	2,154.60	7.1%
TOTAL ASIA	**6,582.6**	24.7%	**8,565.2**	26.2%	**8,562.1**	27.5%	**8,276.6**	24.0%	**6,607.0**	23.4%	**7,347.8**	24.1%
TOTAL AFRICA	**348.8**	1.3%	**197.9**	0.6%	**313.3**	1.0%	**264.4**	0.8%	**215.1**	0.8%	**137.8**	0.5%
TOTAL OCEANIA	**53.7**	0.2%	**48.3**	0.1%	**56.2**	0.2%	**70.3**	0.2%	**58.2**	0.2%	**54.9**	0.2%
Other	**39.7**	0.1%	**70.7**	0.2%	**40.1**	0.1%	**56.4**	0.2%	**46.5**	0.2%	**62.3**	0.2%
Total	**26,699.3**	100.0%	**32,658.3**	100.0%	**31,126.5**	100.0%	**34,420.8**	100.0%	**28,252.7**	100.0%	**30,511.6**	100.0%

Source: Based on figures from the Central Bank October 2025 Monthly Bulletin (Table 3.1.5)

(1) The data is definitive until 2020, and from 2021 it is provisional. The reprocessing is carried out in accordance with the receipt of source documents related to foreign trade operations

(2) Includes Puerto Rico.

The following table sets forth information regarding the country of origin of the Republic's imports for the periods indicated:

Imports (CIF) by Country of Origin[1]
(in millions of U.S.$)

	For the Year Ended December 31,								For the Ten Months Ended October 31,			
	2021		2022		2023		2024		2024		2025	
	U.S.$	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*
Americas[2]												
Mexico	715.6	2.8%	823.4	2.5%	738.7	2.4%	621.7	2.1%	573.2	2.1%	515.6	1.9%
United States[3]	5,647.7	22.0%	8,549.3	25.9%	8,271.7	26.8%	8,108.5	27.5%	7,214.8	26.9%	7,584.3	28.2%
Central America South America and the Caribbean	**160.3**	**0.6%**	**197.3**	**0.6%**	**212.0**	**0.7%**	**189.3**	**0.6%**	**170.8**	**0.6%**	**152.6**	**0.6%**
Argentina	563.1	2.2%	816.1	2.5%	553.7	1.8%	772.8	2.6%	699.2	2.6%	795.8	3.0%
Brazil	994.9	3.9%	1,328.2	4.0%	1,232.3	4.0%	1,039.8	3.5%	947.9	3.5%	918.1	3.4%
Bolivia	365.6	1.4%	483.4	1.5%	485.0	1.6%	345.8	1.2%	322.8	1.2%	184.2	0.7%
Colombia	1,791.9	7.0%	2,055.1	6.2%	2,288.6	7.4%	2,162.0	7.3%	1,931.4	7.2%	1,609.7	6.0%
Chile	538.9	2.1%	590.3	1.8%	572.3	1.9%	510.5	1.7%	467.3	1.7%	471.9	1.8%
Panama	119.3	0.5%	89.0	0.3%	107.8	0.3%	122.4	0.4%	116.2	0.4%	90.4	0.3%
Peru	862.2	3.4%	1,168.0	3.5%	1,075.4	3.5%	959.5	3.3%	884.5	3.3%	924.0	3.4%

	For the Year Ended December 31,								For the Ten Months Ended October 31,			
	2021		2022		2023		2024		2024		2025	
Rest of Americas and Caribbean ...	728.3	2.8%	1,062.4	3.2%	915.2	3.0%	849.6	2.9%	796.9	3.0%	771.1	2.9%
TOTAL AMERICA	**12,487.8**	**48.6%**	**17,162.5**	**51.9%**	**16,452.7**	**53.2%**	**15,681.9**	**53.2%**	**14,125.1**	**52.7%**	**14,017.7**	**52.1%**
Europe												
Germany	578.5	2.3%	666.1	2.0%	632.1	2.0%	618.9	2.1%	561.6	2.1%	625.5	2.3%
Italy	432.4	1.7%	785.6	2.4%	819.6	2.7%	847.2	2.9%	791.2	3.0%	482.3	1.8%
Spain	605.7	2.4%	796.1	2.4%	739.7	2.4%	673.3	2.3%	600.2	2.2%	631.8	2.3%
Rest of European Union[4]	986.5	3.8%	1,432.8	4.3%	1,198.7	3.9%	1,256.1	4.3%	1,173.2	4.4%	1,061.2	3.9%
United Kingdom	157.3	0.6%	141.2	0.4%	223.6	0.7%	163.4	0.6%	151.6	0.6%	210.4	0.8%
Rest of Europe[5]	653.1	2.5%	568.4	1.7%	305.9	1.0%	396.6	1.3%	175.6	0.7%	153.4	0.6%
TOTAL EUROPE	**3,413.6**	**13.3%**	**4,390.2**	**13.3%**	**3,919.7**	**12.7%**	**3,955.4**	**13.4%**	**3,646.5**	**13.6%**	**3,281.1**	**12.2%**
Asia												
China	6,036.9	23.5%	7,280.5	22.0%	6,401.1	20.7%	6,606.6	22.4%	6,004.0	22.4%	6,812.2	25.3%
Japan	581.9	2.3%	656.5	2.0%	778.2	2.5%	550.3	1.9%	499.2	1.9%	486.4	1.8%
Taiwan	216.5	0.8%	287.0	0.9%	342.6	1.1%	189.6	0.6%	179.2	0.7%	123.0	0.5%
South Korea	914.7	3.6%	1,217.2	3.7%	855.3	2.8%	800.7	2.7%	777.8	2.9%	164.3	0.6%
Rest of Asia[6]	1,854.8	7.2%	1,915.6	5.8%	1,964.4	6.4%	1,600.2	5.4%	1,368.9	5.1%	1,346.0	5.0%
TOTAL ASIA	**9,604.8**	**37.4%**	**11,356.9**	**34.4%**	**10,341.5**	**33.5%**	**9,747.4**	**33.1%**	**8,933.6**	**33.3%**	**9,509.9**	**35.3%**
TOTAL AFRICA	**57.7**	**0.2%**	**56.6**	**0.2%**	**116.7**	**0.4%**	**42.6**	**0.1%**	**38.2**	**0.1%**	**45.8**	**0.2%**
TOTAL OCEANIA	**43.6**	**0.2%**	**64.1**	**0.2%**	**60.3**	**0.2%**	**52.4**	**0.2%**	**47.0**	**0.2%**	**45.3**	**0.2%**
Other	**82.2**	**0.3%**	**18.7**	**0.1%**	**10.6**	**0.0%**	**11.4**	**0.0%**	**10.9**	**0.0%**	**8.8**	**0.0%**
Total	**25,689.7**	**100.0%**	**33,048.9**	**100.0%**	**30,901.6**	**100.0%**	**29,491.1**	**100.0%**	**26,801.2**	**100.0%**	**26,908.7**	**100.0%**

Source: Based on figures from the Central Bank October 2025 Monthly Bulletin (Table 3.1.9)

(1) The data is definitive until 2020, and from 2021 it is provisional; the reprocessing is carried out in accordance with the receipt of source documents related to foreign trade operations. As of 2021, it includes re-imports data, in accordance with the recommendations of the international methodology. The data does not include adjustments for imports from the Ministry of National Defense and National Police. (Ministerio de Defensa Nacional and Policía Nacional). Beginning with IEM No. 2064, it is published by country of origin in accordance with the recommendations of the international methodology.

(2) Canada included in Rest of Americas and Caribbean.

(3) Includes Puerto Rico.

(4) Includes Belgium, France, Holland and other countries in the European Union.

(5) Includes the European Free Trade Association and other countries in Europe.

(6) Includes Hong Kong and other countries in Asia.

(7) Includes Africa, Oceania, other countries and international postal traffic.

FOREIGN DIRECT INVESTMENT

The 2008 Constitution contains certain principles relating to foreign investment, including promoting national and international investment, with priority being given to national investment and a complementary role being attributed to international investment; subjecting foreign investment to Ecuador's national legal framework and regulations; prohibiting expropriation without indemnification; limiting access to strategic sectors, which will remain under the Republic'scontrol; providing for disputes relating to international agreements to be resolved in a regional (Latin American) forum; and preventing disputes between the Republic and private companies from becoming disputes between sovereigns. These principles are materialized in the enactment of the Production Code (see "*Economic and Social Policies—Tax Reforms*") and Article 422 of the 2008 Constitution, which sets parameters for disputes relating to international agreements.

Ecuador's FDI policy is governed largely by national implementing legislation for the Andean community's Decisions 291 of 1991 and 292 of 1993. Generally, foreign investors enjoy the same rights Ecuadorian national investors have to form companies. Foreign investors may own up to 100% of a business entity in most sectors without prior Government approval and face the same tax regime.

Currency transfers overseas are unrestricted with respect to earnings and profits distributed abroad resulting from registered foreign investment; provided that obligations relating to employee revenue sharing and relevant taxes, as well as other corresponding legal obligations, are met.

Certain sectors of the Ecuadorian economy are reserved for the State. All foreign investment in petroleum exploitation and development in Ecuador must be carried out under contracts with the MEM.

In 2022, FDI totaled U.S.$882.0 million, an increase compared to the U.S.$651.4 million in 2021. This increase was primarily due to a transaction (recorded in the second quarter of 2022) that did not involve an effective flow of foreign currency but rather a transfer of fiduciary rights, with services provided to companies representing the largest percentage of FDI (93%), followed by the manufacturing sector.

In 2023, FDI totaled U.S.$482.7 million, a decrease compared to the U.S.$882.0 million of FDI in 2022. This decrease was primarily due to the services provided to companies and manufacturing. In 2023, the mining and oil sectors represented the largest percentage of FDI with 51.7% of all investment; commerce, services rendered to community, social and personal services, and transportation and storage followed representing 18.5%, 9.7% and 10% of FDI, respectively.

In 2024, FDI totaled U.S.$438.0 million, a decrease compared to the FDI of U.S.$482.7 million in 2023. This decrease was primarily due to negative net investment flows in the construction and electricity, gas and water sectors. In 2024, mining represented the largest percentage of FDI with 36.1% of investments; manufacturing, transportation, storage and communications and commerce followed representing 27.5%, 23.7% and 18.3% of FDI, respectively.

For the six months ended June 30, 2025, FDI totaled U.S.$276.0 million, an increase compared to the FDI of U.S.$185.7 million for the same period in 2024. This increase was primarily due to an increase in investment inflows in the mining and manufacturing sectors, as well as a recovery in investment related to transportation and commercial activities.

The following table sets forth information regarding FDI by sector for the periods indicated:

Foreign Direct Investment by Sector
(in millions of U.S.$, and as a % of total foreign direct investment)

	For the Year Ended December 31								For the Nine Months Ended September 30,	
	2021		2022		2023		2024		2024	2,025
	U.S.$	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*U.S.$*
Agriculture, forestry, hunting and fishing.....	8,609.1	1.3%	62,323.7	7.1%	18,223.4	3.8%	29,750.8	6.8%	10,282.2	72,768.9
Commerce [(1)]	55,436.1	8.5%	69,022.7	7.8%	72,226.5	15.0%	80,101.0	18.3%	25,085.5	44,692.6
Construction	93,575.5	14.4%	7,049.4	0.8%	47,410.6	9.8%	-74,133.4	-16.9%	5,608.4	-6,268.7
Electricity, gas and water	1,227.4	0.2%	7,819.7	0.9%	-283.0	-0.1%	-592.4	-0.1%	-4,177.4	4,744.7

	For the Year Ended December 31								For the Nine Months Ended September 30,	
	2021		2022		2023		2024		2024	2,025
Petroleum [2]	110,143.2	16.9%	-178,292.6	-20.2%	198,230.2	41.1%	158,105.5	36.1%	85,446.5	82,625.6
Manufacturing	194,365.7	29.8%	83,437.9	9.5%	35,895.5	7.4%	120,436.1	27.5%	14,023.1	7,258.9
Social and personal services	7,371.3	1.1%	-8,321.1	-0.9%	37,026.8	7.7%	3,236.0	0.7%	3,223.3	4,137.0
Services rendered to businesses	135,457.3	20.8%	820,951.0	93.1%	35,982.0	7.5%	17,359.5	4.0%	14,305.6	59,754.9
Transportation, storage and communications	45,211.6	6.9%	18,030.2	2.0%	37,959.4	7.9%	103,691.1	23.7%	31,930.0	6,237.5
Total	**651,397.2**	**100%**	**882,020.8**	**100%**	**482,671.3**	**100%**	**437,954.2**	**100%**	**185,727.2**	**275,951.3**

Source: Based on Figures from the Central Bank Balance of Payments Quarterly Bulletin for the Tiord Quarter of 2025. https://contenido.bce.fin.ec/documentos/Estadisticas/SectorExterno/BalanzaPagos/InversionExtranjera/Directa/ID_Rama.xlsx

(1) Commerce includes investment in commercial infrastructure and real estate.

(2) Includes mining and natural gas.

MONETARY SYSTEM

The Central Bank

The role of the Central Bank is to promote and contribute to the economic stability of Ecuador. It acts as the manager of the public sector's accounts and provides financial services to all public sector institutions that are required to hold their deposit accounts in the Central Bank. Management of these accounts primarily involves transfer operations between entities, including from the Government to other entities, and transfers to accounts in other banks, both foreign and domestic. The Central Bank is also the central coordinator of the payment system. All domestic banks conduct their clearing operations through the Central Bank, and also use the bank to hold their liquidity reserves. In addition, the Central Bank monitors economic growth and economic trends. To accomplish this task, it has developed statistical and research methodologies to conduct analyses and policy recommendations on various economic issues.

In January 2000, following several weeks of severe exchange-rate depreciation, the Republic announced that it would dollarize the economy. In March 2000, the National Assembly approved the Economic Transformation Law, which made the U.S. dollar legal tender in Ecuador (the "Dollarization Program"). Pursuant to the Economic Transformation Law, all sucre-denominated deposits were converted into U.S. dollars effective January 1, 2000, and the U.S. dollar became the unit of account in the financial system.

The functions of the Central Bank were sharply reduced as a result of the Dollarization Program. It no longer sets monetary policy or exchange rate policy for Ecuador. Instead, the Ecuadorian economy is currently directly affected by the monetary policy of the United States, including U.S. interest rate policy. The *Ley para la Transformación Económica del Ecuador* (the "Economic Transformation Law"), which made the U.S. dollar legal tender in Ecuador, provided for the Central Bank to exchange, on demand, sucres at a rate of 25,000 sucres per U.S.$1. The law also prohibited the Central Bank from incurring any additional sucre-denominated liabilities and required that the Central Bank redeem sucre coins and bank notes for U.S. dollars.

Pursuant to the 2008 Constitution, the authority and autonomy of the Central Bank further decreased. Currently, the main functions of the Central Bank are to execute Ecuador's monetary policy, which involves managing the system of payments, investing International Reserves, managing the liquidity reserve, and acting as depositary of public funds and as a fiscal and financial agent for the Republic. The Central Bank also sets policy and strategy design for national development, executes the Republic's macroeconomic program, and maintains financial statistics, which it publishes in monthly bulletins.

On August 12, 2015, after the Monetary and Financial Code abolished the position of president of the Central Bank, the Central Bank named Diego Martínez as its General Manager. On May 23, 2017, former President Moreno named Verónica Artola Jarrín as General Manager of the Central Bank. On June 9, 2021 Guillermo Avellán Solines replaced Ms. Artola Jarrín as General Manager of the Central Bank. The current General Manager of the Central Bank of Ecuador is Jorge Ponce Donoso. He was appointed in an interim capacity following the resignation of Guillermo Avellán Solines at the end of November 2025. This change was officially authorized by the Monetary and Financial Policy and Regulation Board (described below) on November 27, 2025.

The Monetary and Financial Code created the Monetary and Financial Policy and Regulation Board to oversee and regulate the execution of monetary, foreign exchange, financial, insurance, and securities policies of Ecuador in September 2014. The Monetary and Financial Policy and Regulation Board replaced existing regulatory bodies, and also serves as an overall supervisory body to oversee the activities of the Republic's financial entities, including supervisory agencies such as the Superintendence of Banks. The Board is comprised of delegates from the Ministry of Economy and Finance (formerly the Ministry of Finance and the Ministry of Economic Policy), the Ministry of Production, Foreign Trade, Investments and Fisheries (formerly the Ministry of Production and Industrialization), the National Secretary of Planning and Development, and a delegate appointed by the President. The principal functions of the Monetary and Financial Policy and Regulation Board included:

- the oversight and monitoring of the liquidity requirements of Ecuador's financial system, with the objective of ensuring that liquidity remains above certain levels (to be determined by the Monetary and Financial Policy and Regulation Board);

- the auditing and supervision of the Central Bank and the Superintendent of Banks;

- the establishment of regulations for the Republic's electronic payment system; and

- the oversight of borrowing requirements for private loans.

On October 18, 2019, former President Moreno presented before the National Assembly the draft Law on Economic Development which, among other reforms, was aimed at reforming certain aspects of Ecuador's financial laws and regulations to, among other objectives, (i) enhance fiscal sustainability establishing stricter budget controls and (ii) strengthen dollarization by enhancing the Central Bank's autonomy. In November 2019, the National Assembly rejected the draft Law on Economic Development; in response, former President Moreno presented the draft Organic Law on Tax Simplification, replacing the draft Law on Economic Development with respect to certain aspects of the intended tax reform. After a partial Presidential veto, the Organic Law on Tax Simplification became effective in December 2019.

In April 2021, the National Assembly passed the Organic Law Reforming the Organic Monetary and Financial Code for the Defense of Dollarization submitted by former President Lasso. This law aimed for the independence, reorganization and strengthening of the institutional basis of the Central Bank.

In May 2021, the National Assembly enacted the Law for the Defense of Dollarization. This law: (a) established that the Monetary and Financial Policy and Regulation Board was replaced by two new independent entities with their own powers: (i) the Financial Policy and Regulation Board and (ii) the Monetary Policy and Regulation Board (both within the executive branch); (b) established that the Central Bank is not permitted to provide the Central Government, any governing body of public finances, any Decentralized Autonomous Government or any public sector institutions or entities owed by the Government or public entities with direct or indirect financing, or to make investments, including the purchase of shares or having an interest in privately and publicly companies, the purchase of securities issued by such companies, providing aid, donations or financial contributions to individuals and entities; and (c) re-established the Central Bank four-balance sheet hedging system. The goal of the law was to gradually accumulate resources in the readily available International Reserve of Free Availability to support the liabilities of the Central Bank within five years.

The Monetary Policy and Regulation Board wass comprised of three members appointed by the National Assembly suggested by the President of the Republic. The Monetary Policy and Regulation Board was responsible for the formulation of monetary policy, including: (i) establishing the policies of the Central Bank and supervising their implementation; (ii) overseeing compliance with the functions of the Central Bank; (iii) formulating policy and regulating the management of physical means of payment; (iv) evaluating risks to financial stability and issuing macroprudential regulations in consultation with the Financial Policy and Regulation Board; (v) regulating the central payment system, as well as the regulation, permission, registration, oversight and supervision of auxiliary payment systems; (vi) defining the investment policy of International Reserves; and (vii) approving the annual financial statements of the Central Bank.

In 2025, additional reforms were implemented to the Monetary and Financial Code to further strengthen the governance, autonomy, and technical capacity of both the Central Bank and the broader monetary and financial policy framework. These reforms established the Financial and Monetary Policy and Regulation Board as the highest governing body responsible for monetary and financial policy, clarified its composition, and extended the jurisdiction of the National Court of Justice to its members, the General Manager of the Central Bank, and certain officials responsible for monetary supervision and the national payment system. The Central Bank was formally designated as the Technical Secretariat of the Financial Policy and Regulation Board, with explicit technical-advisory responsibilities, and it was expressly clarified that the Bank does not engage in public-banking activities.

The reforms also modified the reserve-backing rule, simplified the Central Bank's budget-approval process by eliminating the requirement for a prior opinion from the Ministry of Economy and Finance, and expanded the Bank's functions to include the preparation of technical reports supporting policy proposals before the Board. The Central Bank's special procurement regime was broadened to cover activities related to monetary education, financial inclusion, external asset and liability management, and administration of international reserves and monetary gold. The Bank was also authorized to contract contingent liquidity lines on its own account—subject to Board approval and excluded from public indebtedness—and changes were made to audit governance, payment-systems regulation, and the oversight of electronic-payment entities. Collectively, these reforms are designed to reinforce Ecuador's dollarization regime, strengthen institutional independence, improve financial-system stability, and modernize the national monetary and financial architecture.

The Monetary and Financial Policy and Regulation Board wass responsible for (i) formulating credit and financial policies, including insurance policy, prepaid health care services and securities; (ii) issuing regulations that permit

sustainability and stability of the financial systems; (iii) standardizing the criteria and protocols to determine the existence of a systemic crisis to issue and implement decisions and direct the actions to address it; (iv) issuing the regulatory framework and regulating the creation, constitution, organization, activities, operation and liquidation of financial, securities, insurance and prepaid health care services; (v) regulating the financial activities carried out by entities of the national social security system; (vi) evaluating risks for financial stability and issuing regulations in consultation with the Monetary Policy and Regulation Board; (vii) establishing the system of maximum interest rates for lending and borrowing operations of the national financial system and other interest rates required by law; (viii) preventing and seeking to eradicate fraudulent practices, including money laundering; and (ix) regulating the constitution, operation and liquidation of funds and trust businesses related to the securities market.

In October 2025, additional reforms were implemented to the Monetary and Financial Code aimed at strengthening the governance, autonomy and technical capacity of the Central Bank and the monetary and financial policy framework. These reforms reaffirmed the role of the Financial and Monetary Policy and Regulation Board as the highest governing body responsible for monetary and financial policy, clarified its composition and granted jurisdiction of the National Court of Justice to its members, the General Manager of the Central Bank and certain officials involved in monetary supervision and the national payment system. The Central Bank was formally designated as the Technical Secretariat of the Financial and Monetary Policy and Regulation Board, with defined technical advisory functions, and it was expressly clarified that the Central Bank does not perform public banking activities.

The reforms also introduced adjustments to the reserve backing rule, established a clearer procedure for approval of the Central Bank's budget by eliminating the requirement of a prior opinion from the Ministry of Economy and Finance, and expanded the Central Bank's functions to include the preparation of technical reports supporting policy proposals before the Board. In addition, the special procurement regime of the Central Bank was broadened to cover activities related to monetary education, financial inclusion, external asset and liability management and the administration of international reserves and monetary gold. The Central Bank was further authorized to contract contingent liquidity lines on its own account, subject to approval by the Board and excluded from public indebtedness, and changes were made to audit governance, payment systems regulation and the treatment of electronic payment entities. Collectively, these reforms are intended to reinforce dollarization, enhance institutional independence, improve financial stability and modernize the monetary and payments infrastructure.

The Ecuadorian Development Bank

The Monetary and Financial Code also established the role and structure of public banks, including the Government-owned Ecuadorian Development Bank (the "EDB"), formerly the *Banco del Estado*. Since 1979, the role of the EDB has been to finance Government investment and infrastructure projects through loans to municipalities and provinces and to grant loans to municipalities and provinces.

In 2022, the EDB granted over U.S.$460 million in disbursements to Ecuador's Autonomous Decentralized Governments and disbursed U.S.$554 million for projects relating to (i) roads and road equipment (37%); (ii) water and environmental sanitation (27%); and (iii) urban equipment (10%).

In 2023, the EDB granted over U.S.$350 million in disbursements to Ecuador's Autonomous Decentralized Governments and disbursed U.S.$233 million for projects relating to (i) roads and road equipment (55%); (ii) risk and flood control (5%); and (iii) environmental sanitation (27%).

In 2024, the EDB granted over U.S.$355 million in disbursements to Ecuador's Autonomous Decentralized Governments and disbursed U.S.$296 million for projects relating to (i) roads and road equipment (52%); (ii) risk and flood control (3%); and (iii) environmental sanitation (29%).

As of November 30, 2025, the EDB had granted over U.S.$351 million to Ecuador's Autonomous Decentralized Governments and disbursed U.S.$279 million for projects related to: (i) viability 49%; (ii) environmental sanitation 29%; (iii) urban equipment 7%; (iv) social housing 5%; (v) institutional strengthening 4%; (vi) risk and flood control 2%; (vii) multiple development 2%; (vii) education and culture 1%.

The Financial Safety Net

Former President Correa's administration determined that the financial safety net in place when he took office was insufficient, as there was no lender of last resort. In many countries, the central bank acts as the lender of last resort. Due to Ecuador's Dollarization Program, however, the Republic's lending capacity was limited to the *Fondo de Liquidez del Sistema Financiero Ecuatoriano* (the "Liquidity Fund"). Former President Correa's administration believed that the lack of a strong lender of last resort increased the risks to the financial system and decreased liquidity within the system.

In light of these perceived deficiencies, the Government passed the Financial Safety Net Law in December 2008. The new law created a four-tiered framework for the banking sector, as described below:

Lender of Last Resort

The *Ley de Creación de la Red de Seguridad Financiera* (the "Financial Safety Net Law"), enacted in 2008, was designed to strengthen the Liquidity Fund, which acts as the lender of last resort for private financial institutions. The Liquidity Fund is overseen by the Superintendent of the Banks and administered by the Central Bank. The assets of the Liquidity Fund are subject to sovereign immunity and cannot be subject to attachment of any kind.

Banking Resolution System

The second tier of the Financial Safety Net Law was the creation of a banking resolution scheme called *Exclusión y Transferencia de Activos y Pasivos* (the Exclusion and Transfer of Assets and Liabilities or the "ETAP"). Under ETAP, healthier labor contingencies, deposits and assets can be excluded from the balance sheet of a troubled banking institution and transferred to a newly created entity or to one or more healthier banking institutions. This policy was intended to separate good assets from non-performing assets and create an efficient and orderly banking resolution process.

Deposit Insurance

The third tier of the Financial Safety Net Law consisted of the establishment of COSEDE. The COSEDE is the successor to the Deposit Guarantee Agency ("AGD"), which was previously responsible for insuring the accounts of depositors in Ecuador's banking systems. In December 1998, the AGD was created as a response to the banking crisis by the *Ley de Reordenamiento en Materia Económica en el Área Tributario-Financiera* (the "Law Reorganizing Economic Matters in the Tax and Finance Areas"). The AGD had a dual role: to oversee the amounts the Republic deposited with the Central Bank in order to protect depositors, and to help restructure banks in liquidation. In December 2009, the AGD closed. The net assets of the AGD were then temporarily transferred to the Ministry of Economy and Finance to COSEDE and thereafter transferred to the *Corporación Financiera Nacional* ("CFN"), a separate Government institution.

In accordance with the Monetary and Financial Code, COSEDE administers the private financial institutions insurance deposit system, which does not include any public banking institution. COSEDE insures deposits of up to U.S.$32,000 per account, whereas the AGD guaranteed accounts with public resources without limit. Pursuant to the Monetary and Financial Code, banks are required to contribute to COSEDE an amount determined annually in accordance with the total amount of deposits held. Under the Monetary and Financial Code, assets administered in connection with the deposit insurance (the "Deposit Insurance") administered by COSEDE are public assets, are not reflected in the General State Budget, are subject to sovereign immunity and cannot be subject to attachment of any kind. The Deposit Insurance had assets of U.S.$2,960 million, U.S.$3,339 million and U.S.$3,658 million as of December 31, 2021, 2022 and 2023, respectively.

Since 2014, the Monetary and Financial Policy and Regulation Board determines the contributions to Deposit Insurance and when financial institutions must make contributions. Contributions to Deposit Insurance are comprised of fixed and variable premiums, differentiated by the risk of the entity in connection with the Monetary and Financial Code. The amount protected by the Deposit Insurance for each individual or legal entity will be differentiated for each insured financial sector. The insured amount of deposits in private and popular and solidarity financial entities, segment 1, equals twice the basic fraction exempt from income tax in force, but in no event less than U.S.$32,000. The insured amounts of deposits in the rest of the segments of the popular and solidarity financial sector are defined by the Financial Policy and Regulation Board.

The deposits of public entities and the resources of the Deposit Insurance Corporation, Liquidity Fund and Private Insurance Fund in the Central Bank or in their accounts, both in Ecuador and abroad, are unseizable, enjoy sovereign immunity and may not be subject to any type of seizure or preventive or precautionary measure.

Superintendent of Banks

Under the fourth tier of the Financial Safety Law, the Superintendent of Banks is authorized to increase the capital and reserves requirement of banking institutions.

The Law for the Defense of Dollarization also established that financial entities must maintain appropriate levels of capital requirements and expand the competence for the Superintendent of Banks to comply with liquidity reserves and reserve requirements.

The Financial Sector

The financial sector consists of various financial institutions and insurance companies and the securities markets. In accordance with the Monetary and Financial Code, the Monetary and Financial Policy and Regulation Board regulates: (1) all private sector financial institutions including banks and credit card issuers; (2) public sector and private financial institutions, with respect to their solvency, liquidation, financial prudence and other administrative matters; (3) insurance and re-insurance companies; and (4) the securities markets. In addition, the Monetary and Financial Policy and Regulation Board provides general oversight and regulation for the financial system, including the Central Bank, COSEDE, the Liquidity Fund, financial cooperatives and private banks.

The Monetary and Financial Code permits the establishment of universal banks (i.e., banks that can offer all types of banking services), and provides for the equal treatment of foreign and domestic financial institutions. Ecuadorian financial institutions may, with authorization from the Superintendent of Banks, establish foreign offices and invest in foreign financial institutions. Foreign subsidiaries of Ecuadorian financial institutions must also conform to the guidelines established by the Monetary and Financial Code in order to promote prudent banking and investment policies and ensure financial solvency. Each year, external auditors must provide opinions regarding capital adequacy, concentration of loans, interested debtors, and asset classifications on both unconsolidated and consolidated bases for all Ecuadorian banks. The Republic has structured its guidelines under the Monetary and Financial Code so as to be consistent with the banking supervision guidelines established by the Basel Committee on Banking Supervision.

The Monetary and Financial Code designates the Superintendence of Banks as the principal entity for auditing, intervention, control and supervision of financial activities by public and private entities of the Republic's banking sector. The Superintendence of Banks is tasked primarily with prudential matters including capital adequacy, liquidity earnings, management risks, and the solvency and risk asset quality of banking institutions.

Since the crisis in the banking system during the late 1990s, during which a number of banks became insolvent, the Superintendent of Banks has worked to improve banking supervision standards. Since 2001, the Superintendent of Banks has reformed the regulatory framework for banking supervision. As part of the reforms, the Superintendent of Banks implemented measures that included the following:

- programs for regulatory on-site audits and periodic reporting requirements. These are published in national newspapers, with the intention of ensuring that banks comply with regulatory standards;

- uniform accounting risks for the the banking sector;

- liquidity risk, which derives from the incapacity of financial institutions to cover their liabilities and other obligations when due, in both local and foreign currency;

- evaluation of market risk based on interest rate risk, which refers to the potential losses of net income or in the capital base, due to the incapacity of the institution to adjust the return on its productive assets (loan portfolio and financial investment) with the fluctuations in the cost of its resources produced by changes in interest rates; and

- evaluation of credit risk based on a detailed method for classifying financial assets in terms of risk.

This method increased the amounts which financial institutions are required to reserve in order to mitigate potential losses arising from their loans (the "Loan-loss Reserve"). With respect to Loan-loss Reserve, current regulations impose

reserve requirements based on risk categories and type of financial assets. These requirements have been introduced to bring them in line with international standards and to increase the average quality of the financial system's loan portfolio. As of September 30, 2024, Ecuador's solvency rules for financial institutions correspond to Basel I. Currently, the private financial system maintains a solvency level of 13.5% (November 30, 2025), exceeding the required minimum of 9%. No time limit exists for banks in Ecuador to become compliant with Basel II or Basel III.

The following table sets forth information regarding the risk categories and Loan-loss Reserve requirements currently in force pursuant to Resolution No. 209-2016-F, of February 12, 2016 promulgated by the Monetary and Financial Policy and Regulation Board and most recently updated by Resolution No. JPRF-F-2022-030, of June 29, 2022.

Risk Categories and Required Loan-Loss Reserve

Category [1]	Productive [2]	Consumer	Mortgage	Small Business [3]	Educative Credit	Loan-loss Reserve
	(in number of days past due, except for percentages)					
A1	--	--	--	--	--	1.00% - 1.99%
A2	1 - 15	1 - 15	1 - 30	1 - 15	1 - 15	2.00% - 2.99%
A3	16 - 30	16 - 30	31 - 60	16 - 30	16 -30	3.00% - 5.99%
B1	31 - 60	31 - 45	61 - 120	31 - 45	31 -60	6.00% - 9.99%
B2	61 - 90	46 - 60	121 - 180	46 -60	61 -90	10.00% - 19.99%
C1	91 - 120	61 - 75	181 - 210	61 -75	91 -120	20.00% - 39.99%
C2	121 - 180	76 - 90	211 - 270	76 - 90	121 - 180	40.00% - 59.99%
D	181 - 360	91 - 120	271 - 450	91 - 120	181 - 360	60.00% - 99.99%
E	+360	+120	+450	+120	+360	100%

Source: Data based on the Resolutions of the Board of Monetary and Financial Policy Regulations, Resolution No. JPRF-F-2022-030. https://jprf.gob.ec/resoluciones_jprf/resolucion-jprf-f-022-030/

(1) Ecuador subdivides Categories A, B, and C into sub-categories.

(2) For commercial loans, in addition to the number of days due, three factors are considered for classification among risk categories: (a) debtor payment capacity and financial situation; (b) experience of payment (risk information from the system, debtor's credit history); and (c) risk of the economic environment.

(3) Classified, with respect to (a) retail microcredit, as loans up to U.S.$1,000, (b) microcredit simple accumulation, as loans from U.S.$1,000 to U.S.$10,000, (c) microcredit extended accumulation, as loans in excess of U.S.$10,000 and (d) agricultural microcredit. Persons with annual sales equal to or less than U.S.$100,000, or groups of lenders guaranteeing or financing small scale production or commercialization are eligible for microcredit loans.

In 2021, the Superintendence of Banks adopted the Risk-Based Supervision ("RBS") approach, which involves a continuous and dynamic analysis and evaluation of the likelihood and severity of risks tied to the core business activities of regulated entities. The RBS approach also includes assessing the effectiveness of risk management and mitigation controls (i.e., the quality of risk management systems) both at the level of key business activities and across the entire entity (global assessment). The RBS approach results in the creation of a risk profile for each entity, enabling the development of efficient supervision strategies that prioritize resources on areas with higher risk levels within the regulated entities.

The following table sets forth, by type, the number of financial institutions in the Ecuadorian financial system as of the dates indicated:

Number of Financial Institutions

	As of December 31,			As of November 30,	
	2021	2022	2023	2024	2025
Banks	24	23	23	23	23
National banks	23	23	23	23	22
Private	22	22	22	22	21
Government-owned banks	1	1	1	1	1
Foreign banks	1	--	--	--	1
Other financial entities	38	50	52	52	44
Savings and loans associations	31	43	45	45	44
Small lending institutions	4	4	4	4	4
Financial institutions	--	--	--	--	--
Public banks	3	3	3	3	3
Insurance companies	31	n/a	n/a	--	n/a
Insurance companies	30	n/a	n/a	--	n/a
Reinsurance companies	1	n/a	n/a	--	n/a
Credit-card issuing entities	--	--	--	--	3
Total	**93**	**73**	**75**	**75**	**74**

Source: Superintendent of Banks, Superintendent of Companies and SEPS.

As of November 30, 2025, the Ecuadorian banking system had a total of 23 banking institutions, of which one was a State-owned commercial bank.

As of December 31, 2023, the assets of the banking system totaled U.S.$60.8 billion, an increase of 6.9% from U.S.$56.9 billion as of December 31, 2022. As of December 31, 2024, the assets of the banking system totaled U.S.$68.9 billion, which increased from U.S.$60.8 billion as of December 31, 2023. As of November 30, 2025, the assets of the banking system totaled U.S.$75.7 billion, an increase of 12.4% from U.S.$67.3 billion as of November 30, 2024.

The following table sets forth the total assets of the Ecuadorian private banking sector and the percentage of non-performing loans over total loans as of the dates indicated:

Banking System

	As of December 31,					As of Nov 30,	
	2021	**2022**	**2023**	**2024**	**2023**	**2024**	**2025**
	(in billions of U.S.$, and as a % of total loans)						
Total assets	52.4	56.9	60.8	68.9	57.5	67.3	75.7
Non-performing loans	1.3%	2.2%	3.2%	3.2%	3.3%	3.5%	3.2%

Source: Data from Superintendent of Banks, Private Banks Monthly Financial Bulletin for December 2021, 2022, 2023, 2024 and June 2024 and 2025. https://www.superbancos.gob.ec/estadisticas/portalestudios/bancos/

Private Bank Deposits

The following table sets forth deposit information for the private banking system as of the dates indicated:

Private Bank Deposits

	Demand Deposits	**Time Deposits**	**Total Time and Demand Deposits**	**Annual growth rate of Time and Demand Deposits**
		(in millions of U.S.$, except for percentages)		
December 31, 2021	24,659.10	15,188.70	39,847.80	10.3%
December 31, 2022	24,479.10	17,599.70	42,078.80	5.6%
December 31, 2023	24,575.49	19,884.42	44,459.91	5.7%
December 31, 2024	27,776.89	23,354.04	51,130.94	15.0%
November 30, 2023	23,222.66	19,970.09	43,192.75	6.5%
November 30, 2024	26,160.77	23,420.72	49,581.50	14.8%
November 30, 2025	32,374.61	24,906.59	57,281.20	15.5%

Source: Source: Data from Superintendent of Banks, Private Banks Monthly Financial Bulletin for December 2021, 2022, 2023 and 2024 and November 2023, 2024 and 2025. https://www.superbancos.gob.ec/estadisticas/portalestudios/bancos/

Banking deposits, primarily comprised of demand deposits and time deposits, constitute the principal source of financing for the Ecuadorian banking system. As of December 31, 2023, time and demand deposits totaled U.S.$44,459.9 million, an increase of 5.7% from U.S.$42,078.8 million as of December 31, 2022. As of December 31, 2024, time and demand deposits totaled U.S.$51,130.9 million, an increase of 15.0% from U.S.$44,459.9 million as of December 31, 2023. As of November 30, 2025, time and demand deposits totaled U.S.$57,281.2 million, an increase of 15.5% from U.S.$49,581.5 million as of November 30, 2024.

The majority of funding for the Ecuadorian banking system is comprised of demand deposits, which increased by 13.5% from U.S.$24,479.1 million in 2022 to U.S.$27,776.9 million in 2024.

Time deposits increased by 32.7% from U.S.$17,599.7 million in 2022 to U.S.$23,354.0 million in 2024. As of December 31, 2023, time deposits totaled U.S.$19,884.4 million, an increase of 13.0% from U.S.$17,599.7 million as of December 31, 2022. As of December 31, 2024, time deposits totaled U.S.$23,354.0 million, an increase of 17.4% from

U.S.$19,884.4 million as of December 31, 2023. As of November 30, 2025, time deposits totaled U.S.$24,906.5 million, an increase of 6.3% from U.S.$23,420.7 million as of November 30, 2024.

Foreign Liabilities

Foreign banks and financial institutions are also a source of liquidity in the Ecuadorian banking system. As of December 31, 2023, the balance of foreign liabilities in the banking sector totaled U.S.$2,760.5 million, an increased of 5.6% from U.S.$2,614.0 million as of December 31, 2022. As of December 31, 2024, the balance of foreign liabilities in the banking sector totaled U.S.$3,069.3 million, an increased of 11.2% from U.S.$ 2,760.5 million as of December 31, 2023. As of November 30, 2025, the balance of foreign liabilities in the banking sector totaled U.S.$2,439.25 million, a decreased of 16.6% from U.S.$2,924.9 million as of November 30, 2024.

The following table sets forth information regarding the principal sources of financing with respect to total liabilities as of the dates indicated:

Classification of the Main Financing Accounts with respect to Liabilities

	Demand deposits	Time deposits	Foreign financing
		(*as % of total liabilities*)	
December 31, 2021	52.60%	32.40%	4.25%
December 31, 2022	48.20%	34.60%	5.20%
December 31, 2023	45.47%	36.79%	5.11%
December 31, 2024	44.95%	37.79%	4.97%
November 30, 2023	43.82%	37.68%	5.21%
November 30, 2024	43.40%	38.85%	4.85%
November 30, 2025	47.64%	36.65%	3.59%

Source: Data from Superintendent of Banks, Private Banks Monthly Financial Bulletin for December 2021, 2022, 2023 and 2024 and November 2023, 2024 and 2025. https://www.superbancos.gob.ec/estadisticas/portalestudios/bancos/

The following table sets forth information regarding the allocation of principal asset accounts with respect to total assets of the banking system as of the dates indicated:

Allocation of the Principal Asset Accounts with respect to Total Assets of the Banking System

	Portfolio of current loans	Investments
	(*as a % of total assets*)	
December 31, 2021	59.80%	15.70%
December 31, 2022	63.20%	13.10%
December 31, 2023	64.70%	14.10%
December 31, 2024	61.06%	12.46%
November 30, 2023	65.85%	13.69%
November 30, 2024	63.08%	16.19%
November 30, 2025	63.18%	18.37%

Source: Data from Superintendent of Banks, Private Banks Monthly Financial Bulletin for December 2021, 2022, 2023 and 2024 and November 2023, 2024 and 2025. https://www.superbancos.gob.ec/estadisticas/portalestudios/bancos/

As of December 31, 2023, the banking system represented 70.62% of the total assets of the private financial system. For the year ended December 31, 2023, the banking system generated a profit of U.S.$737.5 million, which, according to data from the Superintendent of Banks, represented 0.61% of Ecuador's nominal GDP and represents an increase of 11.12% from U.S.$663.7 million for the year ended December 31, 2022. The banking system strengthened between 2022 and 2023, and its assets expanded by 6.81% due to a 9.30% increase in the loan portfolio. For the year ended December 31, 2024, the banking system generated a profit of U.S.$660.2 million compared to U.S.$737.5 million for the year ended December 31, 2023.

As of November 30, 2025, the banking system represented 71.54% of the total assets of the private financial system. For the eleven months ended November 30, 2025, the banking system generated a profit of U.S.$819.25 million compared to U.S.$580.67 million for the same period in 2024. Ecuador's banks use their resources primarily to extend loans. Between 2023 and 2024, the Ecuadorian private banking system's total loan portfolio increased of 9.10% from U.S.$39,280.82 million to U.S.$42,856.12 million, and past due loans increased of 8.0% from U.S.$435.08 million to U.S.$469.89 million. This increase in past due loans was primarily due to the regulatory change issued by the Financial Policy and Regulation Board, which reconstructs the category and days of delinquency for determining the risk rating.

Financial entities may not carry out active and contingent operations with the same natural or legal person for an amount that exceeds, in aggregate, 10% of the technical equity of the entity. This limit will be raised to 20% if what exceeds 10% corresponds to obligations secured by guarantee. In no case may the appropriate guarantee have a value lower than the total value of the excess. The set of operations of the previous subparagraph may not in any case exceed 200% of the patrimony of the subject of credit, unless there are adequate guarantees that cover, in excess of at least 120%.

The following table identifies the loans made to the private sector from the private banking sector and the deposits of the private banking sector as of November 30, 2025:

Loans to the Private Sector and Private Bank Deposits

	As of December 31, 2023	As of December 31, 2024	As of November 30, 2025
	(in millions of U.S.$)		
Loans			
Commercial, [(1)] Productive and Consumer Loans	35,880.50	39,514.16	44,703.90
Microenterprise Loans	3,383.74	3,494.20	3,621.93
Education Loans	252.43	206.82	166.34
Real Estate and Public Housing Loans	2,612.63	2,719.18	2,758.30
Total	**42,129.29**	**45,934.37**	**51,250.47**
Deposits			
Demand Deposits	24,575.49	27,776.89	32,374.61
Time Deposits	19,884.42	23,354.04	24,906.59
Guarantee Deposits	1,771.30	1.18	1.10
Others	1,652,7	1,930.17	2,053.76
Total	**46,231.20**	**53,062.28**	**59,336.06**

Source: Data from Superintendent of Banks, Private Banks Monthly Financial Bulletin for December 2021, 2022, 2023, 2024, 2025 and June 2023, 2024 and 2025. https://www.superbancos.gob.ec/estadisticas/portalestudios/bancos/.

(1) Commercial loans refers to both the priority and ordinary loan portfolios under Ecuadorian banking regulation.

Total current loans to the private sector from the private banking sector increased from U.S.$37,745.5 million as of December 31, 2022 to U.S.$40,779.9 million as of December 31, 2023. Total current loans to the private sector from the private banking sector increased from U.S.$40,779.9 million as of December 31, 2023 to U.S.$44,484.40 million as of December 31, 2024. Total current loans to the private sector from the private banking sector increased from U.S.$39,042.2 million as of June 30, 2023 to U.S.$42,094.3 million as of June 30, 2024. Total current loans to the private sector from the private banking sector increased from U.S.$43,899.44 million as of November 30, 2024 to U.S.$49,612.07 million as of November 30, 2025.

As of December 31, 2023, banking deposits, including guarantee deposits and restricted deposits, totaled U.S.$44,459.9 million, an increase from U.S.$42,078.8 million as of December 31, 2022. As of December 31, 2024, banking deposits, including guarantee deposits and restricted deposits, totaled U.S.$51,130.9 million, an increase from U.S.$44,459.9 million as of December 31, 2023. As of June 30, 2024, banking deposits, including guarantee deposits and restricted deposits, totaled U.S.$46,222.7 million, an increase from U.S.$42,234.0 million as of June 30, 2023. As of November 30, 2025, banking deposits, including guarantee deposits and restricted deposits, totaled U.S.$59,336.06 million, an increase from U.S.$51,532.29 million as of November 30, 2024.

The following table sets forth information regarding the banking system's loan portfolio as of the dates indicated:

Banking System Loan Portfolio Balances

	Current loans	Past-due loans [1]	Total loan portfolio	Current loans as a percentage of the total loan portfolio	Past-due loans as a percentage of the total loan portfolio
	(in millions of U.S.$, except for percentages)				
December 31, 2021	32,941.50	718.8	33,660.30	97.90%	2.10%
December 31, 2022	37,745.50	843.9	35,589.50	97.80%	2.20%
December 31, 2023	40,779.90	1,349.40	42,129.30	96.80%	3.20%
December 31, 2024	44,484.40	1,449.96	45,934.36	96.84%	3.16%
November 30, 2023	40,632.08	1,497.08	42,129.16	96.45%	3.55%
November 30, 2024	43,899.44	1,613.75	45,513.20	96.45%	3.55%
November 30, 2025	49,612.07	1,638.42	51,250.49	96.80%	3.20%

Source: Superintendent of Banks as of November 30, 2025.

(1) Past-due loans are classified by economic sector. Commercial past-due loans are classified as loans 31 days overdue, consumer past-due loans are classified as loans 16 days overdue, real estate past-due loans are classified as loans 61 overdue, and microcredit past-due loans are classified as loans 16 days overdue. Non-interest accruing loans are also included in past-due loans.

As of December 31, 2023, the delinquency rate increased to 3.20%, compared to 2.20% as of December 31, 2022. As of December 31, 2024, the delinquency rate decreased to 3.16%, compared to 3.20% as of December 31, 2023. This decrease was primarily due to the regulatory change issued by the Monetary Financial Policy and Regulation Board, which reconstructs the category and days of delinquency for determining the risk rating. As of November 30, 2025, the delinquency rate decreased to 3.20%, compared to 3.55% as of November 30, 2024. This decrease was primarily due to the extraordinary financial relief measures issued by the Monetary Financial Policy and Regulation Board.

The following table sets forth information regarding the number of past-due loans in different sectors of the economy as of the dates indicated:

Past Due Loans by Sector of the Economy

	As of December 31,										As of November 30,			
	2021		2022		2023		2024		2023		2024		2025	
	(in millions of U.S.$, and as a percentage of past due loans)													
	U.S.$	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*	*U.S.$*	*%*
Commercial	143.8	20.00%	158.4	18.70%	202.1	15.00%	209.1	14.42%	218.1	14.57%	232.4	14.40%	254.4	15.53%
Consumer	388.9	54.10%	453.7	53.80%	834.5	61.90%	915.9	63.17%	931.8	62.24%	1,026.2	63.59%	1,054.5	64.36%
Real estate	72.2	10.00%	73.4	8.60%	76.1	5.60%	84.5	5.83%	80.8	5.40%	93.7	5.81%	82.2	5.02%
Microcredit	99.5	13.80%	146.5	17.30%	224.5	16.70%	230.6	15.91%	249.2	16.65%	251.4	15.58%	240.6	14.69%
Education	14.4	1.90%	12.1	1.40%	12.2	0.90%	7.7	0.54%	13.8	0.92%	7.9	0.49%	5.0	0.31%
Total	718.8	100.00%	843.9	100.00%	1,349.40	100.00%	1,449.9	100.0%	1,497.1	100.0%	1,613.7	100.0%	1,638.4	100.0%

Source: Superintendent of Banks as of November 2025.

The Banking Sector

The first, second and third largest banks by asset value in Ecuador are Banco Pichincha, Banco Guayaquil and Banco Pacífico, respectively. As of December 31, 2024, Banco Pichincha reported assets of approximately U.S.$19.5 billion, while Banco Guayaquil and Banco Pacífico each reported assets of approximately U.S.$8.7 billion. Collectively, these three banks held approximately U.S.$36.9 billion in assets, representing approximately 52.2% of the U.S.$70.7 billion in total assets of Ecuador's banking system.

Banco del Pacífico is 100% owned by the Republic after it was taken over from private shareholders during the banking crisis in 1999 and its shares were transferred to the Central Bank. In 2022, the Republic and CFN attempted to privatize Banco de Pacifico, but the privatization did not occur. As of December 31, 2024 and 2023, its assets totaled U.S.$8,691.9 million and U.S.$7,005.3 million, respectively. According to the Superintendent of Banks, Banco del Pacífico's profits were U.S.$158.1 million and U.S.$122.6 million for each of the years ended December 31, 2024 and 2023, respectively. Its profits for the eleven months ended November 30, 2025 were U.S.$180.05 million.

According to the Superintendent of Banks, as of December 31, 2024 and 2023, approximately 2.04% and 2.27%, respectively, of the profits in the banking sector came from Citibank N.A., Ecuador Branch, which was the only foreign bank

operating in Ecuador. According to the Superintendent of Banks, as of November 30, 2025, approximately 2.54% of the profits in the banking sector came from Citibank N.A., Ecuador Branch.

Cooperative and Mutual Solidarity Financial Systems

In 2008, former President Correa created the *Programa de Finanzas Populares* (the "Program for Public Finance") to expand lending to smaller financial cooperatives so that they could increase lending to small businesses. These cooperatives extend micro-loans to individuals and businesses that could otherwise not obtain loans from commercial banks. As of December 31, 2024 and November 30, 2025, cooperative loans totaled U.S.$19,156.979 million and U.S.$19,868.8 million, respectively.

Interest Rates and Money Supply

In July 2007, the *Ley del Costo Máximo Efectivo del Crédito* (Maximum Actual Credit Cost Law) established a new system for the calculation of interest rates and, among other things:

- prohibited charging commissions for credit operations and prepayments;
- prohibited imposing any fee that is not in the nature of compensation for the rendering of a service; and
- established that the maximum interest rate must equal interest rates of credit operations of private financial institutions in each relevant sector, multiplied by an amount determined by the Central Bank.

In April 2015, Resolution 043-2015-F established new categories of credits in the financial system, totaling 10. The purpose of the resolution was to promote socially and environmentally responsible consumption, encourage value generating investment and improve the efficiency of the financial system. The new categories of credit in the financial system established by this resolution included productive credits, ordinary commercial credits, priority commercial credits, ordinary consumption credits, priority consumption credits, education credits, public interest housing credits, real estate credits, microcredits and public investment credits. Changes from the prior categorizations included the following:

- "productive credits" were defined as those credits for which at least 90% of funds are dedicated to acquisition of capital goods, construction of infrastructure projects and the purchase of industrial property rights;
- "consumer credits" were divided into "ordinary consumer loans" for the acquisition or commercialization of light fossil fuel vehicles and "priority consumer loans," which are dedicated to the purchase of goods or services or expenses not related to productive activity or ordinary commercial activity;
- "commercial credits" were defined as "ordinary commercial credits," which are available to persons whose annual sales are higher than U.S.$100,000.00 that acquire or commercialize light fossil fuel vehicles and "priority commercial credits," which are available for the acquisition of goods and services for commercial and productive activities to persons whose annual sales are higher than U.S.$100,000; and
- "education credits," were introduced, which are available to individuals and accredited institutions to finance education and vocational or technical training.

In addition to the new categorization of credit, the Monetary and Financial Policy and Regulation Board fixed the maximum interest rates for each of these categories through Resolution No. 044-2015-F.

On November 15, 2023, the Financial Policy and Regulation Board issued Resolution No. JPRF-F-2023-086, which regulated the segmentation of the credit portfolio of the entities of the national financial system. The following is a description of the credit segments of the financial system that are in effect today:

9. *Productive Credit*: Credit granted to natural persons obliged to keep accounting notices or to legal entities that register annual sales over U.S.$300,000.00 for the acquisition of goods and services for productive and commercial activities. The following are sub-segments of the Productive Credit:

   - *Corporate Productive*: Productive credit operations granted to natural persons obliged to keep accounting records or legal entities with annual sales in excess of U.S.$7,000,000;

   - *Business Productive* : Productive credit operations granted to natural persons required to keep accounting records or legal entities with annual sales in excess of U.S.$1,500,000 and up to U.S.$7,000,000; and

   - *SMEs Productive*: Productive credit operations granted to natural persons obliged to keep accounting records or legal entities with annual sales of over U.S.$300,000 and up to U.S.$1,500,000.

10. *Microcredit*: Credit granted to a natural or legal person with annual sales up to U.S.$300,000, or to a group of borrowers with a joint and several guarantee, to finance small-scale production and/or commercialization activities, whose main source of payment is the product of the sales or income generated by those activities, adequately verified by the entities of the National Financial System. The following are sub-segments of Microcredit:

    - *Retail Microcredit:* Operations granted to credit applicants with annual sales equal to or less than U.S.$20,000;

    - *Simple Accumulation Microcredit:* Operations granted to credit applicants with annual sales of more than U.S.$20,000 and up to U.S.$120,000; and

    - *Extended Accumulation Microcredit:* Operations granted to credit applicants with annual sales of more than U.S.$120,000 and up to U.S.$300,000.

11. *Real Estate Credit:* Credit granted with a mortgage guarantee to individuals for the construction, repair, remodeling and improvement of their own real estate; for the acquisition of land for the construction of their own housing; and for the acquisition of finished housing for the use of the debtor and his family not categorized in the Social and Public Interest Housing Credit segment discussed below.

12. *Social and Public Interest Housing Credit*: Credit granted to individuals with a mortgage guarantee for the acquisition or construction of a single dwelling for first use, in accordance with the provisions issued by the Monetary Policy and Regulation Board. The following are sub-segments of the Social and Public Interest Housing Credit:

    - *Social Interest Housing Credit*: in the case of social interest housing, the commercial value of the dwelling is considered to be up to 178.00 unified basic wages and other requirements established in the current legal regulations.

    - *Public Interest Housing Credit*: in the case of public interest housing, the commercial value of the dwelling is considered to be from 178.01 unified basic wages to 229.00 unified basic wages and other requirements established in the current legal regulations.

13. *Consumer Credit*: Credit granted to individuals for the purchase of goods, services or expenses not related to a productive or commercial activity and other purchases and expenses, including pledge credits for jewelry, as well as for the purchase of light vehicles that are not used for a productive or commercial activity.

14. *Educational Credit*: Credit granted to individuals for their professional or technical education and training and to legal entities for the financing of professional or technical education and training of their human talent, in both cases the education and training must be duly accredited by the competent bodies.

15. *Social Educational Credit*: Credit granted in accordance with the public policy issued by the governing body of higher education to individuals who previously received credits or scholarships for their education and professional or technical training, with public resources provided by the former Ecuadorian Institute of Educational Credit, subsequently the Institute for the Promotion of Human Talent, and the Secretariat of Higher Education, Science, Technology and Innovation.

16. *Public Investment Credit*: Credit for financing programs, projects, works and services aimed at the provision of public services, the provision of which is the responsibility of the State, either directly or through companies, and which is cancelled against budgetary resources or income of the debtor in trust in favor of the lending public financial institution. This segment includes operations granted to Decentralized Autonomous Governments and other public sector entities.

Via Resolution No. 603-2020-F, the now extinct Monetary and Financial Policy and Regulation Board modified credit segmentation and its active interest rates. Pursuant to such Resolution, the number of credit subsegments was reduced to 13. The reform eliminated the commercial segment and its subsegments, the agricultural and livestock productive subsegment, the subsegments of ordinary and priority consumption establishing now only the consumption segment, and modified the subsegments of the microcredit segment, so only retail microcredit, simple accumulation microcredit and expanded accumulation microcredit remain in place. As a result, the following credit segments and subsegments were maintained: corporate productive; business productive; productive PYMES; consumption; educational; social education; public interest housing; social interest housing; real estate; retail microcredit; simple accumulation microcredit; expanded accumulation microcredit; public investment.

Subsequently, Resolution No. JPRF-F-2021-004 established the maximum lending interest rates for the 13 aforementioned sub-segments, which became effective as of January 1, 2022. These rates were established following the recommendations of the "Methodology for the Calculation of Active Interest Rates" prepared by the Central Bank, which suggested that the calculation of interest rates incorporate the cost of funding, credit risk costs, operating costs and the cost of capital.

In June 2023, Resolution No. JPRF-F-2023-070 relaxed the interest rate ceilings for the corporate and business productive sectors, which are now calculated as follows: the Maximum Effective Lending Rate is equal to the Benchmark Effective Lending Rate for the indicated segment as published by the Central Bank in the month immediately prior to its application, plus two standard deviations from the series of the last twelve months of the benchmark lending rate for the corresponding segment. On March 15, 2024, Resolution No. JPRF-F-2024-0104 extended this methodology to the interest rate ceiling applicable to the real estate segment.

The following table sets forth average deposit interest rates for the economy as a whole and average lending interest rates per sector as of the dates indicated:

Interest Rates

	As of December 31,				
	2021	**2022**	**2023**	**2024**	**2025**
			(%)		
Deposit interest rate	5.91%	6.35%	7.70%	7.46%	5.61%
Lending interest rate	7.44%	8.48%	9.94%	10.43%	7.76%
Corporate productive lending interest rate [(1)]	7.44%	8.48%	9.94%	10.43%	7.76%
Maximum corporate productive interest rate	9.33%	8.86%	10.58%	11.87%	9.44%
Business productive lending interest rate [(2)]	9.37%	9.50%	10.85%	13.01%	10.26%
Maximum business productive interest rate	10.21%	9.89%	11.29%	15.55%	12.33%
Medium and small business productive lending interest rate [(3)]	10.63%	10.23%	11.00%	12.13%	9.68%
Maximum medium and small business productive interest rate	11.83%	11.26%	11.51%	13.40%	11.90%
Consumer lending interest rate [(5)]	16.22%	16.08%	16.27%	16.27%	15.91%
Maximum consumer interest rate	17.30%	16.77%	16.77%	16.77%	16.77%
Education lending interest rate [(6)]	8.87%	8.92%	8.78%	8.85%	8.77%
Maximum education interest rate	9.50%	9.50%	9.50%	9.50%	9.50%
Housing lending interest rate	9.84%	9.37%	9.91%	10.86%	9.33%
Maximum housing interest rate	11.33%	10.40%	10.40%	11.61%	10.63%
Microcredit increased accumulation lending interest rate [(7)(9)]	20.13%	19.85%	19.97%	19.52%	18.48%
Maximum microcredit increased accumulation interest rate [(9)]	23.50%	22.05%	22.05%	22.05%	22.05%
Microcredit simple accumulation lending interest rate [(9)(10)]	20.74%	20.34%	20.43%	21.72%	21.23%
Maximum microcredit simple accumulation interest rate [(9)]	25.50%	24.89%	24.89%	24.89%	24.89%
Microcredit subsistence accumulation lending interest rate [(9)(11)]	19.80%	19.46%	20.21%	21.49%	20.66%
Maximum microcredit subsistence accumulation interest rate [(9)]	28.50%	28.23%	28.23%	28.23%	28.23%

Source: Central Bank, 2025: Monthly Statistical Information: December 2025: https://contenido.bce.fin.ec/documentos/Estadisticas/SectorMonFin/TasasInteres/TasasHistorico.htm

(1) "Corporate lending rate" is the rate provided to businesses whose annual sales exceed U.S.$7,000,000.00.
(2) "Business lending rate" is the rate provided to businesses whose annual sales equal or exceed U.S.$1,500,000 up to U.S.$7,000,000.00.
(3) "Medium and small business lending rate" is the rate provided to businesses whose annual sales equal or exceed U.S.$300,000 up to U.S.$1,500,000.00.
(4) In 2015 consumer credits were divided into "ordinary consumer credits," for the acquisition or commercialization of light fossil fuel vehicles and "priority consumer credits," dedicated to the purchase of goods or services or expenses not related to productive activity or ordinary commercial activity.
(5) "Education lending rate" is the rate provided to individuals for development of human capital by accredited institutions.
(6) "Microcredit increased accumulation lending rate" refers to credit transactions whose amount per trade and balance due to microcredit financial institutions exceed U.S.$10,000. This is the rate granted to entrepreneurs who register annual sales of more than U.S.$120,000 and up to U.S.$300,000.
(7) Under the Monetary, Financial, Securities and Insurance Resolutions Codification, which includes Resolution 437-2018-F of January 26, 2018, certain maximum rates were established for the microcredit segments after February 1, 2018, which corresponds to credit unions of segments 2, 3 and 4.
(8) "Microcredit simple accumulation lending rate" refers to credit transactions whose amount per transaction and balance due to microcredit financial institutions is larger than U.S.$1,000, but smaller than U.S.$10,000. This is the rate provided to entrepreneurs who register a sales of more than U.S.$20,000 and up to U.S.$120,000 and to self-employed individuals.
(9) "Microcredit subsistence accumulation lending rate" refers to credit transactions that are less than or equal to U.S.$1,000. This is the rate provided to micro entrepreneurs who recorded a level of annual sales less equal to or less than U.S.$20,000 and to self-employed, individuals or a group of borrowers with joint liability.

The average interest rates on deposits increased from 6.35% in 2022 to 7.70% in 2023. With respect to the various sectors, most loan interest rates remained stable during the period from 2022 through 2024, with the corporate productive lending interest rate increasing to 9.94% from 7.44% during the period from 2021 through 2023.

As of December 30, 2023 and 2024, the corporate productive lending interest rate was 9.94% and 10.43%, respectively. As of December 30, 2025, the corporate productive lending interest rate was 7.76%.

The following table sets forth the principal monetary indicators as of the dates indicated:

Principal Monetary Indicators

	As of October 31,			
	2022	**2023**	**2024**	**2025**
		(in millions of U.S.$)		
Currency in circulation[(1)]	18,689.5	19,332.5	19,866.1	21,220.6
Demand deposits[(2)]	10,665.4	10,256.7	10,477.7	11,779.9
Fractional Currency	87.5	87.7	88.8	108.9
M1[(3)]	29,442.4	29,676.9	30,432.6	33,109.4
Quasi-money[(4)]	43,438.4	48,302.7	55,441.7	64,339.6
M2 (M1 plus term)[(5)]	72,880.7	77,979.6	85,874.3	97,449.0

Source: Data from Central Bank, Monthly Bulletin (Table 1.1.1) for November 2025.

(1) The calculation methodology and the 2000.1 - 2007.12 series of the currency in circulation are registered in "Cuestiones Económicas" journal of the Central Bank of Ecuador, Vol. 23. N° 2, 2007.

(2) Refers to deposits received into current accounts by banking institutions, required by means of the submission of checks or other payment and registration mechanisms.

(3) Money supply is defined as the amount of money immediately available to agents so that they may carry out transactions; accounting-wise, narrow money is the sum of the monetary species in circulation and the deposits into current accounts.

(4) Corresponds to deposit taking of Other Depository Corporations, that without being of immediate liquidity, signifies a "second line" of payment means at the public's disposal. It is comprised of savings deposits, installments, repo, card holder funds and other deposits.

(5) The total liquidity, or broad money, includes money supply and quasi-money.

Inflation

Ecuador measures the inflation rate by the percentage change between two periods in the consumer price index ("CPI"). The CPI is computed by INEC based on a standard basket of 359 items of goods and services that reflects the pattern of consumption of urban Ecuadorian households in eight cities. The price for each good or service that makes up the basket is weighted according to its relative importance in an average urban household's consumption pattern in order to calculate the CPI.

Prior to the adoption of the Dollarization Program, Ecuador was plagued by high inflation. From 1994 to 1999, the inflation rate ranged from a 22.8% low in 1995 to a 60.7% high in 1999. In 1999 and early 2000, the sharp devaluation of the sucre contributed to an increase in the Republic's inflation rate, which became one of the highest in Latin America at 96.1% in 2000. The restrictions imposed by the Dollarization Program brought this to an end. The inflation rate was 2.7% in 2004, 2.2% in 2005, 2.8% in 2006, 3.3% in 2007 and 8.8% in 2008. The increase in inflation in 2008 was primarily caused by increases in food prices, due to climatic changes that affected the agricultural sector. In addition, the international prices of fertilizer and agricultural commodities also increased. As a result of these increases, Ecuador fixed the prices for some of these goods and limited the export of various agricultural products. As a result, during 2011, 2012, 2013 and 2014, the inflation rate followed a downward trend each year at 5.41%, 4.16%, 2.70% and 3.67%, respectively. The decrease in the inflation rate in 2013, particularly, was due to the imposition of price controls intended to curb price speculation on basic foodstuffs including, meats, various fruits and vegetables, and milk.

According to the INEC, inflation decreased from 3.74% for the 12-month period ended December 31, 2022 to 1.35% for the 12-month period ended December 31, 2023. This decrease was primarily due to lower increases in consumer prices, particularly in food and transportation, as well as easing supply-side pressures. According to the INEC, inflation decreased from 1.35% for the 12-month period ended December 31, 2023 to 0.53% for the 12-month period ended December 31, 2024. This decrease was primarily due to moderate domestic demand and continued stability in prices of key consumer goods and services. Inflation decreased from 1.42% for the nine month period ended September 30, 2024 to 0.72% for the nine month period ended September 30, 2025. This decrease in the rate of annual inflation was the result of contained price pressures and subdued economic activity.

Given the constrains of dollarization, and Ecuador's inability to mint currency, the Republic is more vulnerable than other countries to external factors such as global recessions, the volatility of commodity and raw material prices and natural disasters affecting the agricultural sector. The relative strength or weakness of the dollar relative to the currencies of Ecuador's Andean trading partners has also affected Ecuador's inflation rate.

The following table sets forth inflation rates in the Republic as measured by the CPI for the periods presented:

Inflation

	(% Change in CPI from Previous Year at Period End [(1)])
December 30, 2021	1.94%
December 30, 2022	3.74%
December 30, 2023	1.35%
December 30, 2024	0.53%
September 30, 2024	1.42%
September 30, 2025	0.72%

Source: Data based on figures from the BCE, last updated in November 2025 https://www.ecuadorencifras.gob.ec/documentos/web-inec/Inflacion/2025/Junio/01_ipc_Presentacion_IPC_jun2025.pdf

(1) Data reflect percentage change in consumer prices in urban areas over the prior 12 months period.

PUBLIC SECTOR FINANCES

Overview

Budget Process

The 2008 Constitution and the Public Planning and Finance Code set forth the public sector's budget process. According to Article 292 of the 2008 Constitution, the General State Budget is the instrument for establishing and managing Government income and spending, and includes all public sector income and expenses, with the exception of those belonging to social security, public banks, public companies and the Autonomous Decentralized Governments. The drafting and implementation of the General State Budget adheres to the National Development Plan, while the budgets of the Autonomous Decentralized Governments and those of other public entities adhere to regional and provincial plans, within the framework of the National Development Plan. The National Development Plan is published by the Government every four years and sets forth the goals and priorities of the Government for the applicable time period. The National Development Plan 2021-2025 was released in September 20, 2021.

The executive branch formulates the annual budget estimate and the four-year budgetary schedule, and presents both to the National Assembly for approval. The levels of revenue, expenditure, and debt are based on the macroeconomic projections and targets of the MEF and the Central Bank. The MEF is primarily responsible for the preparation of the public sector's annual budget based on guidelines issued by various planning agencies and other ministries.

The executive branch submits the draft annual budget and the four-year budgetary schedule to the National Assembly within the first 90 days of its initial term and, in subsequent years, 60 days before the start of the relevant fiscal year. The National Assembly must adopt or object to the draft budget within 30 days. The objections of the National Assembly are limited to the areas of revenue and spending and cannot alter the overall amount of the draft budget. If the National Assembly objects to the draft budget or schedule, the executive branch may, within ten days, accept the objection and submit a new proposal to the National Assembly for approval. If the National Assembly does not object within 30 days, the draft annual budget and the four-year budgetary schedule become effective.

The 2008 Constitution also established predetermined budget allocations for the Autonomous Decentralized Governments, the health sector, the education sector, and research, science, technology and innovation. The creation of any other predetermined budget allocations is prohibited.

The MEF has the authority to modify the budget during its execution phase in an amount up to 5% of any approved allocation. These adjustments must be made in accordance with the priorities and goals established in the National Development Plan and the constitutional limits established in Article 126 of the Public Planning and Finance Code. For more information regarding the National Development Plan and constitutional limits, see "*Public Debt—General.*"

Income and expenses belonging to social security, banks of the Republic, public companies and the Autonomous Decentralized Governments are not considered part of the General State Budget. As such, Autonomous Decentralized Governments prepare their budgets in accordance with the non-binding guidelines prepared by the National Secretary of Planning and Development. The executive branch of each Autonomous Decentralized Government is responsible for drafting the budget and submitting it for approval before the corresponding legislative bodies. The General State Budget and local budgets, upon approval, are implemented and made public, as is the General State Budget, and are implemented by the respective local governments.

In 2008, CEREPS was eliminated as a result of the 2008 Constitution and the enactment of LOREYTF. The Republic believes that LOREYTF has increased transparency and flexibility to the budget process by providing enhanced management of Ecuador's resources and prioritizing social investments. The law also eliminated all predetermined use of resources; currently all of the Republic's resources go directly to a single system of accounts in the Central Bank. Title 3 of the Public Planning and Finance Code also provides transparency by providing unrestricted access to all budget and financial information of the Republic and annual financial statements of public companies.

In accordance with the terms of the 2008 Constitution, the macroeconomic rules and the restrictions on the assumption of public debt are as follows:

- permanent expenditures must be financed by permanent income; expenditures related to health, education and justice will be treated as preferential and may be, under exceptional circumstances, financed by non-permanent income; and

- public debt or income from petroleum products may not be used for current Government expenditures.

- Under the 2008 Constitution, each of the following is subject to the National Development Plan:

- policies;

- programs and public projects;

- scheduling and execution of the State budget; and

- investment and allocation of public resources.

- Pursuant to the Public Planning and Finance Code, each of the following is also subject to the National Development Plan:

- public actions, programs and projects;

- public debt;

- international cooperation;

- scheduling, formulation, approval and execution of the General State Budget;

- Ecuador banks' budgets;

- national-level public companies; and

- social security.

The Organic Law for Productive Development, enacted on August 21, 2018, amended the Public Planning and Finance Code to provide that a budget with a primary deficit must be approved and to ensure that any increase in the expenditure by the Central Government does not exceed the long term growth rate of the economy.

At the request of the MEF, or on its own, the Office of the Comptroller General can perform an audit of all public sector entities that administer public funds for compliance with proposed budgets and compliance under the law.

Fiscal Policy

In October 2010, the National Assembly approved the Public Planning and Finance Code, which regulates the Ecuador's planning process and coordinates planning with fiscal policy. This law (as amended under the Organic Law for the Regulation of Public Finances) establishes guidelines for fiscal management, including rules that:

- provide for more flexibility for the MEF to reallocate and reassign expenditures up to 5% of the approved Government budget;

- set an explicit total public debt ceiling of 40% of GDP, including Central Government, non-financial public sector and the Autonomous Decentralized Governments (see "*Public Debt—General*" and "*—Organic Law for the Regulation of Public Finances*" for a description of the Republic's measures to decrease the public debt levels to below the debt ceiling);

- allow the MEF to issue CETES, at its discretion, without having to undergo the same approval process required for long-term internal and external sovereign debt;

- allow for the establishment of citizens' committees for financial public policy consultations;

- determine that all excess cash not spent during a fiscal year will be accounted for as initial cash for the following fiscal year; and

- establish the functions and responsibilities of the Debt and Finance Committee (see "*Public Debt—General*").

For more information on the amendments to the Public Planning and Finance Code by the Organic Law for the Regulation of Public Finances, see "*Organic Law for the Regulation of Public Finances.*"

The Special Audit concluded on April 6, 2018, when the Office of the Comptroller General issued its audit report (the "CGR Audit Report") and recommended that, in order to reconcile amounts comprising public debt, the Public Planning and Finance Code should be amended and Decree 1218 should be repealed with respect to the calculation of the total public debt-to-GDP ratio to ascertain the actual value of total public debt and determine if that amount exceeded the 40% debt-to-GDP ratio set out in Article 124 of the Public Planning and Finance Code. Following these recommendations, on June 21, 2018, the National Assembly passed the Organic Law for Productive Development, which became effective on August 21, 2018 and expressly confirmed that certain activities and instruments are considered a contingent liability and therefore are not included in the calculation of the total public debt-to-GDP ratio, and provided that for the period from 2018 to 2021, unless the public debt reached a level below the public debt ceiling of 40% of GDP, the public debt ceiling would not apply. The law also provided for the implementation of a fiscal stability plan by the MEF for the period from 2018 to 2021. The law set forth that in each subsequent fiscal year after 2021, the General State Budget must be presented with a fiscal program aimed at reducing over time the amount of total public debt relative to GDP, until it reaches a level below the 40% debt-to-GDP ratio. The law also mandated that the MEF issue a new regulation implementing a new accounting methodology in accordance with internationally accepted standards and best practices for the registration and disclosure of public debt.

In addition, the Organic Law for Productive Development amended Article 124 of the Public Planning and Finance Code to provide that in exceptional cases, fiscal rules and the 40% debt-to-GDP ratio limit may be temporarily suspended when natural catastrophes, severe economic recession, imbalances in the payment system, or national emergency situations occur, for which purpose the approval of the majority of the members of the National Assembly will be required. These rules may also be suspended in the event that the President of the Republic decrees a state of emergency in accordance with the provisions of the 2008 Constitution. In these cases, the entity in charge of public finances will propose a plan to strengthen public finances to achieve and restore fiscal balance.

On November 19, 2018, the MEF issued the Regulation Implementing the Public Debt-to-GDP Ratio Calculation Methodology (the "2018 Methodology"), which provided that the calculation of the public debt-to-GDP ratio is to be based on total public debt as published in the official aggregate financial statements and the latest nominal GDP as published by the Central Bank. The 2018 Methodology defined total public debt as the sum of the public debt incurred by the entities comprising the public sector and added certain debt instruments to the calculation of public debt that were not previously included, including oil presales. See "*Methodology for Calculating the Public Debt-to-GDP Ratio.*"

In December 18, 2018, the Regulation to the Organic Law for Productive Development supplementing the Organic Law for Productive Development became effective. The Regulation to the Organic Law for Productive Development created the procedures to implement and simplify the tax benefits that the Organic Law for Productive Development created for new investments and entrepreneurship; clarified different concepts used in the Organic Law for Productive Development such as the concept of 'new investment'; created the framework under which the VAT and exit tax returns on exports and other tax incentives would be carried out; closed any loopholes on the elimination of the excise tax; and created the procedures to oversee compliance with fiscal rules with the goal of achieving sustainability of public finances.

The Regulation to the Organic Law for Productive Development also amended the Rules to the Public Planning and Finance Code to include a new section on fiscal rules and to amend certain articles. Article 133 of the Rules to the Public Planning and Finance Code is amended to provide that the Ministry of Economy and Finance will produce both aggregated and consolidated financial statements of the public debt for the public sector, the non-financial public sector and the Central Government in a period of no more than 60 days after the end of each month. These amendments also provided that in establishing the total amount of public debt, the MEF must consider the aggregate public debt-to-GDP indicator of the entities

constituting the public sector, which must be calculated and projected based on the public debt aggregate statements, at least for the final balances, for the following four years. Among other provisions, the regulation provided guidance for calculating the debt-to-GDP ratio for these purposes, as well as for reducing the balance of the public debt below 40% and for maintaining the balance of the public debt at or below 40% of GDP after it has been reduced.

The non-financial public sector deficit is primarily financed by the issuance of CETES and bonds placed with IESS. There is no maximum amount of CETES that may be issued per year nor is there a requirement to place a certain percentage in the public or private sector. However, IESS may only hold 75% of the value of its total portfolio in CETES.

The Organic Law for Productive Development created a fiscal stabilization fund to ensure fiscal sustainability and health and education expenses, supported by the extra revenue above the flows contemplated under the Budget from the exploitation of non-renewable natural resources, after deducting the share earmarked to local governments.

On October 18, 2019, former President Moreno presented before the National Assembly the draft Law on Economic Development which, among other reforms, was aimed at reforming certain aspects of Ecuador's financial laws and regulations to, among other things, (i) enhance fiscal sustainability establishing stricter budget controls and (ii) strengthen dollarization by enhancing the Central Bank's autonomy. On November 17, 2019, the National Assembly voted to reject the draft Law on Economic Development. In response, on November 21, 2019, former President Moreno presented the draft Organic Law on Tax Simplification, replacing the draft Law on Economic Development with respect to certain aspects of the intended tax reform. The Organic Law on Tax Simplification was first approved by the National Assembly on December 9, 2019, and after a Presidential partial veto, became effective on December 31, 2019.

On July 24, 2020, the Organic Law for the Regulation of Public Finances became effective as revised by former President Moreno. The Organic Law for the Regulation of Public Finances included two sections and a transitional provision. Section I is limited to amendments to the Public Planning and Finance Code and includes 45 articles, and Section II is limited to a single article amending a provision of the Organic Law of Spatial Planning and applicable ordinances. This law aimed to improve the administration of public finances and focuses on updates to budgetary ceilings, the predictability of public spending, establishment of new treasury securities and new tax rules. See "*Organic Law for the Regulation of Public Finances.*"

On May 2021, Ministerial Agreement No. 036 was issued, in which the MEF resolved, among other things, to issue, within 60 days from its effective date, all necessary administrative acts to begin publishing the new Total Public Debt and Other Obligations - GDP Indicator, in application of the 2018 Methodology and, by virtue of the Ministerial Agreement No. 0071 issued on July 20, 2021, such period was extended by an additional period of up to 60 business days from the date of such Ministerial Agreement.

On August 14, 2021, Ministerial Agreement No. 0077 was issued, in which the MEF resolved to issue the Methodology for the calculation of the Debt Rule Indicator and other payment obligations of the non-financial public sector and Social Security repealing Ministerial Agreements No. MEF-2018-0134 of November 19, 2018 (including the 2018 Methodology), No. 036 of May 20, 2021 and No. 071 of June 20, 2021. See "*Public Debt—Methodology for Calculating the Public Debt-to-GDP Ratio.*"

Non-Financial Public Sector Revenues and Expenditures

The following table sets forth actual revenues and expenditures for the consolidated non-financial public sector for the periods presented:

Summary of Consolidated Non-Financial Public Sector Revenues and Expenditures [(1)(2)]

	For the year ended December 31,								For the nine months ended September 30,			
	2021		2022		2023		2024		2024		2025	
	(in millions of U.S.$, and as % of GDP)											
TOTAL REVENUE	**38,462.4**	**35.9%**	**45,199.3**	**32.9%**	**43,609.8**	**38.9%**	**46,177.1**	**37.0%**	**35,294.1**	**31.0%**	**34,633.7**	**25.9%**
Oil revenue[(3)]	**13,106.4**	--	**16,853.8**	--	**14,510.0**	--	**14,847.3**	--	**11,092.2**	**9.8%**	**9,841.9**	**7.4%**
Exports[(4)(8)]	8,681.3	12.2%	11,229.2	8.3%	9,082.2	14.5%	9,384.0	11.9%	7,102.3	**6.2%**	5,777.7	**4.3%**
Sales of derivatives	4,425.1	8.1%	5,624.6	6.0%	5,427.7	9.7%	5,463.2	7.5%	3,989.9	**3.5%**	4,064.2	**3.0%**
Non-Oil revenue	**25,356.0**	**4.1%**	**28,345.5**	**2.3%**	**29,099.8**	**4.8%**	**31,329.8**	**4.4%**	**24,202.0**	**21.3%**	**24,791.9**	**18.5%**
Tax revenue	13,549.4	--	15,099.8	--	14,350.9	--	16,501.2	--	12,806.1	**11.3%**	13,119.7	**9.8%**
Income tax	3,854.1	23.7%	4,450.0	24.6%	4,652.2	24.4%	5,435.9	25.1%	4,395.1	**3.9%**	4,396.0	**3.3%**
VAT	5,985.9	12.6%	6,440.1	12.9%	6,269.2	13.0%	7,549.4	13.2%	5,661.1	**5.0%**	6,005.7	**4.5%**

	For the year ended December 31,								For the nine months ended September 30,			
	2021		2022		2023		2024		2024		2025	
ICE (Tax on Special Consumptions)	821.4	3.6%	851.6	4.2%	812.7	3.8%	751.1	4.4%	583.0	**0.5%**	557.8	**0.4%**
Tariff duties	1,207.1	5.6%	1,267.0	5.4%	1,180.4	5.5%	1,117.3	6.1%	811.3	**0.7%**	849.4	**0.6%**
Other tax[5]	1,515.9	0.8%	1,426.4	0.8%	1,121.2	0.7%	1,206.0	0.6%	915.6	**0.8%**	1,008.1	**0.8%**
Emergency taxes	164.9	1.1%	664.6	1.0%	315.3	1.1%	441.4	0.9%	440.0	**0.4%**	302.8	**0.2%**
Social Security contribution	5,305.4	1.4%	5,773.4	1.3%	6,051.1	1.2%	6,061.7	1.0%	4,512.2	**4.0%**	4,680.0	**3.5%**
IESS	4,626.5	0.2%	5,074.0	0.2%	5,345.3	0.6%	5,323.5	0.4%	3,954.1	**3.5%**	4,112.6	**3.1%**
ISSFA	332.6	5.0%	341.5	5.3%	354.6	5.0%	383.6	4.9%	293.2	**0.3%**	298.0	**0.2%**
ISSPOL	346.3	4.3%	357.8	4.7%	351.2	4.4%	354.6	4.3%	265.0	**0.2%**	269.4	**0.2%**
Transfers	543.6	0.3%	465.4	0.3%	1,011.4	0.3%	1,242.8	0.3%	1,141.3	**1.0%**	733.7	**0.5%**
Earned interests	1,159.6	0.3%	1,282.8	0.3%	1,548.3	0.3%	1,489.9	0.3%	1,125.5	**1.0%**	1,171.1	**0.9%**
Other[6]	4,798.0	0.5%	5,724.2	0.6%	6,138.0	0.4%	6,034.2	1.0%	4,616.8	**4.1%**	5,087.4	**3.8%**
TOTAL EXPENDITURES	40,244.7	**1.1%**	45,223.3	**1.3%**	47,883.5	**1.1%**	47,809.6	**1.2%**	33,819.9	**29.7%**	35,330.4	**26.4%**
Permanent Expenses	**30,892.5**	**4.5%**	**37,291.1**	**4.6%**	**39,896.8**	**4.9%**	**40,288.9**	**4.8%**	**28,863.8**	**25.4%**	**30,146.2**	**22.5%**
Wages	10,556.5	--	11,491.8	--	12,134.5	0.0%	12,283.6	0.0%	8,779.4	**7.7%**	8,958.3	**6.7%**
Purchase of goods and services	9,794.8	37.5%	13,581.0	40.3%	13,591.5	38.9%	13,071.9	38.3%	9,323.0	**8.2%**	9,090.6	**6.8%**
Interest	1,465.8	--	1,881.7	--	2,705.0	--	2,981.7	--	2,295.7	**2.0%**	2,596.2	**1.9%**
External	952.7	28.8%	1,310.8	32.8%	2,118.4	32.1%	2,450.1	32.3%	1,885.8	**1.7%**	2,079.9	**1.6%**
Internal	513.1	9.8%	570.9	11.4%	586.6	9.9%	531.6	9.9%	409.9	**0.4%**	516.3	**0.4%**
Transfers	952.7	9.1%	1,735.0	8.9%	1,825.8	11.7%	1,983.1	10.5%	1,419.5	**1.2%**	1,765.6	**1.3%**
Social Security	7,178.5	1.4%	7,620.2	3.0%	8,576.2	1.6%	8,781.6	2.4%	6,274.8	**5.5%**	6,727.7	**5.0%**
IESS	5,888.2	0.9%	6,202.7	2.5%	7,222.0	1.1%	7,343.3	2.0%	5,219.7	**4.6%**	5,641.8	**4.2%**
ISSFA	447.9	0.5%	504.0	0.5%	481.5	0.5%	535.5	0.4%	393.2	**0.3%**	426.4	**0.3%**
ISSPOL	842.3	0.9%	913.5	1.3%	872.7	1.5%	902.8	1.6%	661.8	**0.6%**	659.5	**0.5%**
Others	944.3	6.7%	981.3	7.1%	1,063.8	6.6%	1,187.0	7.0%	771.4	**0.7%**	1,007.8	**0.8%**
Non-Permanent Expenses	**9,352.2**	**5.5%**	**7,932.2**	**5.9%**	**7,986.7**	**5.3%**	**7,520.7**	**5.9%**	**4,956.1**	**4.4%**	**5,184.2**	**3.9%**
Investments in Non-Financial Assets[7]	2,274.9	0.4%	2,318.3	0.4%	2,080.4	0.4%	1,879.0	0.4%	1,129.8	**1.0%**	1,332.9	**1.0%**
Central Government	680.7	0.8%	603.1	0.9%	451.2	0.8%	445.6	0.7%	234.2	**0.2%**	319.3	**0.2%**
GADS	1,566.4	0.9%	1,651.2	1.1%	1,554.6	0.8%	1,371.1	1.0%	855.7	**0.8%**	971.6	**07%**
Social Security Funds	15.9	--	25.0	--	22.5	--	30.1	--	18.6	--	28.5	--
Non-Financial Public Enterprises	11.9	8.7%	39.0	7.5%	52.0	6.8%	32.2	6.0%	21.3	--	13.5	--
Non-permanent transfers	2,003.2	2.1%	849.2	1.9%	975.2	2.0%	935.3	1.5%	539.8	**0.5%**	631.9	**0.5%**
Other non-permanent expense	5,074.1	0.6%	4,764.7	0.6%	4,931.1	0.5%	4,706.4	0.4%	3,286.5	**2.9%**	3,219.3	**2.4%**
Overall result	**-1,782.3**	**1.5%**	**-24.0**	**1.4%**	**-4,273.7**	**1.4%**	**-1,632.5**	**1.1%**	**1,474.2**	**1.3%**	**-696.6**	**-0.5%**

Source: MEF.

(1) The structure of the non-financial public sector is based on the sectorization of the IMF Public Finance Statistics Manual 2014.
(2) Income records correspond to cash-based values and expense records correspond to accrual values, except for interest expenses, which are cash-based.
(3) Income from this concept depends on production, crude oil exports, international prices of crude oil and its derivatives, sales prices of petroleum derivatives and production costs.
(4) Includes income from exports of crude oil and derivatives registered in: General State Budget, CFDD, GAD by the CTA Law, Petroleum Services Contracts administered by the Ministry of Energy and Mines; and income from recognition of operating costs of the entire value chain of EP Petroecuador.
(5) Includes the Currency Outflow Tax (ISD).
(6) Corresponds to income from self-management of the Decentralized Autonomous Governments.
(7) Excludes only interest expense, as the compilation of public debt statistics is carried out as gross debt and not net for the purposes of evaluating debt sustainability.
(8) As of September 2022, by Executive Decree 548 of August 30, 2022, the CFDD that was part of the PGE became managed by petroecuador.

In 2023, the non-financial public sector registered a deficit of U.S.$4,273.7 million, compared to a deficit of U.S.$24.0 million in 2022. This increase in the deficit was primarily due to a decline in revenues of approximately U.S.$1,600 million and an increase in expenditures of approximately U.S.$2,700 million. In 2023, total revenues of the non-financial public sector totaled U.S.$43,609.8 million, a decrease from U.S.$45,199.3 million in 2022. This decrease was primarily due to lower oil production volumes and export prices, as well as a slowdown in economic activity. In 2023, total expenditures of the non-financial public sector amounted to U.S.$47,883.5 million, an increase from U.S.$45,223.3 million in 2022. This increase was mainly attributable to higher social security benefits, increased interest expenses reflecting higher international interest rates, and higher wages and salaries following the implementation of the *Ley Orgánica de Educación Intercultural*, which expanded employment and compensation in the education sector.

In 2024, the non-financial public sector registered a deficit of U.S.$1,632.5 million, compared to a deficit of U.S.$4,273.7 million in 2023. This reduction in the deficit was primarily due to higher revenues, partially offset by sustained expenditure levels. In 2024, total revenues of the non-financial public sector totaled U.S.$44,177.1 million, an increase from U.S.$43,609.8 million in 2023, mainly reflecting higher non-oil revenues and improved tax collection. In 2024, total expenditures for the non-financial public sector totaled U.S.$47,809.6 million, a decrease from U.S.$47,883.5 million in 2023, primarily due to lower non-permanent expenditures.

For the nine months ended September 30, 2025, the non-financial public sector registered a deficit of U.S.$696.6 million, compared to a surplus of U.S.$1,474.2 million for the nine months ended September 30, 2024. This deterioration in the fiscal balance was primarily due to higher total expenditures combined with a reduction in total revenues. For the nine months ended September 30, 2025, total revenues of the non-financial public sector totaled U.S.$34,633.7 million, a decrease from U.S.$35,294.1 million for the nine months ended September 30, 2024. This decrease was primarily due to lower oil revenues and reduced income from exports. For the nine months ended September 30, 2025, total expenditures of the non-financial public sector totaled U.S.$35,330.4 million, an increase compared to U.S.$33,819.9 million for the nine months ended September 30, 2024. This increase was primarily due to higher permanent expenditures, including wages, social security contributions, and interest payments.

Central Government Revenues and Expenditures

The Government derives its revenues primarily from sales of petroleum, tax collection and import duties, and other revenue, including transfers. The following table shows the actual Central Government revenues and expenditures for the periods presented. The Central Government includes the Republic's ministries, supervising entities, and other Government entities.

Consolidated Central Government Revenues and Expenditures[1][2][7]

	For the year ended December 31,								For the nine months ended September 30,			
	2021		2022		2023		2024		2024		2025	
	(in millions of U.S.$, and as % of GDP)											
TOTAL REVENUE	**25057.4**	**23.4%**	**28622.9**	**24.6%**	**21137.8**	**17.4%**	**24034.8**	**19.3%**	18604.9	16.4%	18460.8	13.8%
Oil revenue[3]	**8795.1**	**8.2%**	**10508.8**	**9.0%**	**3035.3**	**2.5%**	**3354.9**	**2.7%**	2368.3	2.1%	2048.9	1.5%
Exports[4][8]	5376.0	5.0%	7464.5	6.4%	3035.3	2.5%	3354.9	2.7%	2368.3	2.1%	2048.9	1.5%
Sales of derivatives	**3419.1**	**3.2%**	**3044.3**	**2.6%**	--	--	--	--	--	--	--	--
Non-Oil revenue	**16262.3**	**15.2%**	**18114.1**	**15.6%**	**18102.4**	**14.9%**	**20679.9**	**16.6%**	**16236.5**	**14.3%**	**16411.9**	**12.3%**
Tax revenue	13549.4	12.6%	15099.8	13.0%	14350.9	11.8%	16501.2	13.2%	12806.1	11.3%	13119.7	9.8%
Income tax	3854.1	3.6%	4450.0	3.8%	4652.2	3.8%	5435.9	4.4%	4395.1	3.9%	4396.0	3.3%
VAT	5985.9	5.6%	6440.1	5.5%	6269.2	5.2%	7549.4	6.1%	5661.1	5.0%	6005.7	4.5%
ICE (Tax on Special Consumptions)	821.4	0.8%	851.6	0.7%	812.7	0.7%	751.1	0.6%	583.0	0.5%	557.8	0.4%
Tariff duties	1207.1	1.1%	1267.0	1.1%	1180.4	1.0%	1117.3	0.9%	811.3	0.7%	849.4	0.6%
Other tax[5]	1515.9	1.4%	1426.4	1.2%	1121.2	0.9%	1206.0	1.0%	915.6	0.8%	1008.1	0.8%
Emergency taxes	164.9	0.2%	664.6	0.6%	315.3	0.3%	441.4	0.4%	440.0	0.4%	302.8	0.2%
Social Security contribution	--	--	--	--	--	--	--	--	--	--	--	--
Transfers	537.9	0.5%	455.6	0.4%	1071.6	0.9%	1456.6	1.2%	1359.4	1.2%	1159.0	0.9%
Earned interests	--	--	--	--	--	--	--	--	--	--	--	--
Other income	2175.0	2.0%	2558.8	2.2%	2680.0	2.2%	2722.1	2.2%	2071.0	1.8%	2133.2	1.6%
TOTAL EXPENDITURES	**29324.1**	**27.4%**	**30169.3**	**26.0%**	**27048.9**	**22.3%**	**27558.0**	**22.1%**	**19428.4**	**17.1%**	**21210.9**	**15.9%**
Permanent Expenses	**21919.4**	**20.5%**	**24958.5**	**21.5%**	**21860.5**	**18.0%**	**22796.7**	**18.3%**	**16319.5**	**14.3%**	**17505.0**	**13.1%**
Wages	8217.2	7.7%	9174.5	7.9%	9738.6	8.0%	9862.1	7.9%	7054.6	6.2%	7214.9	5.4%
Purchase of goods and services	7412.4	6.9%	8115.2	7.0%	3289.9	2.7%	3424.9	2.7%	2367.6	2.1%	2318.7	1.7%
Interest	1950.5	1.8%	2401.3	2.1%	3218.0	2.7%	3571.0	2.9%	2660.1	2.3%	3129.8	2.3%
External	900.0	0.8%	1260.6	1.1%	2025.8	1.7%	2339.7	1.9%	1797.4	1.6%	1999.5	1.5%
Internal	1050.6	1.0%	1140.8	1.0%	1192.2	1.0%	1231.2	1.0%	862.7	0.8%	1130.3	0.8%
Transfers	4202.1	3.9%	5135.1	4.4%	5445.0	4.5%	5749.6	4.6%	4125.4	3.6%	4729.5	3.5%
Social Security	--	--	--	--	--	--	--	--	--	--	--	--
Other permanent expenses	137.1	0.1%	132.2	0.1%	169.0	0.1%	189.1	0.2%	111.7	0.1%	112.1	0.1%
Non-Permanent Expenses	**7404.8**	**6.9%**	**5210.9**	**4.5%**	**5188.5**	**4.3%**	**4761.3**	**3.8%**	**3108.9**	**2.7%**	**3706.0**	**2.8%**
Investments in Non-Financial Assets[7]	680.7	0.6%	603.1	0.5%	451.2	0.4%	445.6	0.4%	234.2	0.2%	319.3	0.2%
Non-permanent transfers	4914.6	4.6%	3808.5	3.3%	3754.6	3.1%	3533.7	2.8%	2425.6	2.1%	2823.4	2.1%
Other non-permanent expense	1809.5	1.7%	799.2	0.7%	982.7	0.8%	782.0	0.6%	449.2	0.4%	563.3	0.4%
Overall result	**-4266.7**	**-4.0%**	**-1546.4**	**-1.3%**	**-5911.2**	**-4.9%**	**-3523.1**	**-2.8%**	**-823.5**	-0.7%	**-2750.1**	-2.1%

Source: MEF.

(1) The Central Government is comprised of: the General State Budget (PGE), the Ministry of Energy and Mines (formerly Secretariat of Hydrocarbons) and the Deficit Derivatives Financing Account (CFDD) according to the sectorization of the Manual of Public Finance Statistics 2014 (reprocessed since 2012).

(2) Revenue records correspond to cash basis values and expense records to accrued values except for interest expenses, which are on a cash basis.

(3) Revenues depend on production, crude oil exports, international prices of crude oil and its derivatives, sales prices of oil derivatives and production costs.

(4) Corresponds to income from direct oil exports made by the Republic through the public oil company. This concept considers the income only at the moment the payment enters the Central Bank; the values of the reserves deposited abroad are not considered as part of the export income.

(5) Includes the Tax on Foreign Exchange Outflows and other taxes.

(6) Corresponds to gross fixed capital formation, public works and long-lived assets for investment.

(7) Pursuant to Executive Decree 548, the CFDD (Deficit Derivative Financing Account) is transferred to Ecuador's public hydrocarbons company, EP PETROECUADOR. The date of execution of the definitive process was September 12, 2022, according to Oficio No. MEF-STN-2022-2531-O.

In 2023, Central Government revenues totaled U.S.$21,137.8 million, while total expenditures were U.S.$27,048.9 million. This resulted in an overall fiscal deficit of U.S.$5,911.1 million in 2023, an increase compared to the U.S.$1,546.4 million deficit in 2022. This increase in the deficit was primarily due to lower revenues because of the change in the CFDD operations report and greater external interest payments related to higher international interest rates.

In 2024, Central Government revenues totaled U.S.$24,034.8 million, while total expenditures were U.S.$27,558.0 million. This resulted in an overall fiscal deficit of U.S.$3,523.1 million in 2024, a decrease compared to the U.S.$5,914.4 million deficit in 2023. This decrease in the deficit was primarily due to tax reforms implemented, which increased the revenues of the non-financial public sector.

For the nine months ended September 30, 2025, Central Government revenues totaled U.S.$18,460.8 million, while total expenditures were U.S.$19,720.4 million. This resulted in an overall fiscal deficit of U.S.$1,259.6 million, compared to a U.S.$1,085.0 million deficit for the nine months ended September 30, 2024. This increase in the deficit was primarily due to higher current expenditures, including interest payments and social spending.

Taxation and Customs

The 2008 Constitution grants the National Assembly the authority to create, amend or eliminate taxes by means of the law, without detriment to the attributions granted to Autonomous Decentralized Governments. Pursuant to the 2008 Constitution, only the President may submit bills that levy, amend or eliminate taxes. Municipal governments may also levy taxes. The 2008 Constitution provides that tax policy will promote redistribution and will stimulate employment, the production of goods and services, as well as ecologically, socially and economically responsible conduct. Furthermore, the 2008 Constitution expressly prioritizes direct and progressive taxes.

VAT applies to most sales of tangible assets as well as most services, except for educational, public transportation, public services, childcare services and others. VAT has been the largest component of tax revenues in the past five years, generating U.S.$6,269.2 million of total tax revenues in 2023, a decrease from U.S.$6,440.1 million in 2022. This decrease was primarily due to weaker domestic demand and lower consumption growth. In 2024, VAT generated U.S.$7,549.4 million of total tax revenues, an increase from the U.S.$6,269.2 million generated in 2023. This increase was mainly due to higher economic activity and improved tax collection. For the nine months ended September 30, 2025, VAT generated U.S.$6,005.7 million of total tax revenues, an increase from U.S.$5,661.1 million generated for the nine months ended September 30, 2024. This increase was primarily due to higher consumption levels and improved compliance.

The second largest component of tax revenues is income tax, which accounted for U.S.$4,396.0 million of tax revenues for the nine months ended September 30, 2025, a marginal increase from U.S.$4,395.1 million for the nine months ended September 30, 2024. In 2024, income tax accounted for U.S.$5,435.9 million of tax revenues, an increase from U.S.$4,652.2 million in 2023 and U.S.$4,450.0 million in 2022.

Another important component of tax revenues is taxes on goods and services (selected excise taxes), which accounted for U.S.$13,120 million of tax revenues for the nine months ended September 30, 2025, an increase from U.S.$314 million for the nine months ended September 30, 2024.

Effective personal income tax rates for residents and non-residents who file tax returns in Ecuador range from 0% to 35%. The standard corporate tax rate in 2014 was 22%, a decrease from 25% in 2012. However, a tax reform enacted in December 2014 increased the corporate tax rate to 25% for profits on distributions from Ecuadorian entities to residents domiciled in tax havens. Non-resident individuals were also subject to a flat income tax of 22% in 2013 (a decrease from 24% in 2011 and 23% in 2012). The standard corporate tax rate for 2015 was 22% but increased to 25% for 2016 due to the 3% increase established by the *Ley Orgánica de Solidaridad y de Corresponsabilidad Ciudadana para la Reconstrucción de las Zonas Afectadas por el Terremoto de 16 de Abril de 2016* (the "Law of Solidarity"). Currently, the standard corporate tax rate is 25% and 28% for profits on distributions from Ecuadorian entities to residents domiciled in tax havens.

Tax Reforms

Historically, many individuals and companies did not pay taxes in Ecuador. Upon taking office, former President Correa aimed to change this behavior and instituted a culture of paying taxes among citizens and companies. To that end, the Ministry of Education established the *Día de la Cultura Tributaria* (Tax Culture Day) to be commemorated every April 27 and ran multiple television advertisements concerning the importance of tax payments. Ecuador completed these cultural

efforts with legal reforms. Two of the most important reforms included the *Ley Reformatoria a la Ley de* Régimen *Tributario Interno y a la Ley Reformatoria para la Equidad Tributaria del Ecuador* (the Reform Act to the Internal Tax Regime Law and the Reform Act for Tax Equity in Ecuador), which were enacted on December 23, 2009 and included the following measures:

- a 1% to 2% ISD, which was subsequently amended in November of 2011 to a 5% ISD with an exemption, established in 2016, for the first U.S.$1,098 and U.S.$5,000 if a debit card or credit card was used (for more information regarding the ISD, see "*Balance of Payments and Foreign Trade—Foreign Trade—Trade Policy*");

- taxation on dividends received by company shareholders as profits;

- changes in the manner in which the ICE calculates taxes on certain items for products such as cigarettes, alcoholic beverages and soft drinks;

- incentives for the production sector, such as a proposal to return the VAT for certain tourism activities, and exemptions on tax for reinvestment in science and technology; and

- a refund of the 12% VAT (increased to 14% for 2016 and returned to 12% effective June 1, 2017) for the public sector.

Other measures included the institution of numerous new individual tax deductions that encouraged the participation in payment of taxes. Taxpayers can apply deductions prior to the end of the tax year. The Republic believes that tax deductions and an advance payment system encourage participation and decrease the rate of tax evasion in Ecuador. The Republic has also improved its tax administration system to more easily identify tax evasion.

In December 2012, the National Assembly enacted the Comprehensive Law of Redistribution of Income for Social Expenditures, which went into effect on January 1, 2013. This law expanded the scope of the VAT to certain financial services provided by credit card administrators and private financial entities that were previously exempt.

In August 2014, a U.S.$42 flat tariff rate was introduced for all international purchases under U.S.$400 that were delivered by courier and weighed up to 4 kilograms. Before the introduction of this flat tariff, only international purchases delivered by courier in excess of U.S.$400 and 4 kilograms were subject to tariffs. This flat tariff was intended to encourage local market consumption by discouraging small online purchases made outside Ecuador. The tariff was imposed on courier services for each package that entered Ecuador. Packages shipped through certain State-owned postal services subject to international treaties are exempt from the tariff. Books for students for educational purposes are also exempt.

In December 2017, the Government enacted the Organic Law for the Economic Reactivation, Strengthening of Dollarization and Modernization of Financial Management. This law aimed to create employment and increase the income of foreign currency to the economy through tax incentives to different actors of the economy such as micro and small companies, artisans and regulator exporters. This law also established (i) a corporate income tax rate of 25%; (ii) the exemption from income tax payment for new micro-enterprises for three years; (iii) the possibility of signing investment contracts that guarantee the general rate applicable to companies for taxpayers that are dedicated to large and medium-scale metal mining and basic industries; (iv) the modification of the tax base and the application of the *ad valorem* rate of excise tax on alcoholic beverages and beer; (v) a 50% discount from excise tax to producers of alcohol and alcoholic beverages that purchase cane distillate from artisans and organizations of the popular and solidarity economy; (vi) an exemption from the Foreign Currency Exit Tax for payments abroad for the treatment of serious illnesses; and (vii) the elimination of the tax on rural property.

The Organic Law for Productive Development, enacted on August 21, 2018, established a reduced income tax rate for capital gains on the sale of shares of stock in a range from zero percent to 10%.

In August 2019, the Government enacted the Organic Law for Productive Promotion, Investment Attraction, Employment Generation, and Fiscal Stability and Balance. The purpose of this law was to stabilize Ecuador's economy, reactivate production, stimulate investment and promote employment through tax incentives.

In December 2019, the Government enacted the Organic Law of Tax Simplification and Progressivity to address the digital economy. This law established a 12% VAT for digital services, optimized tax spending and incentives for companies.

In 2021, the executive branch issued Decree 33, which established that all institutions and public and private companies that provide credit reference services eliminate from their records the historical information on the obligations of individuals whose consolidated debt in the financial system was less than U.S.$1,000 in order to provide credit dynamics and liquidity. The executive branch also issued Decree 68 in June 2021 to simplify international trade and production to increase transparency and reduce production costs for companies.

In September 2021, the executive branch issued Decree 182, which reduced the Currency Exit Tax rate to 0% for transfers, shipments, or transfers of currency made by foreign airlines operating in Ecuador to promote tourism.

In October 2021, the executive branch ordered the suspension of the Regulation of Prices of Petroleum Derivatives to reduce the expense associated with fuel subsidies and the price manipulation.

On November 2021, the Organic Law for Economic Development and Fiscal Sustainability was enacted. This law, among other things:

- reduced and eliminated taxes for certain goods and services such as feminine hygiene products and cell phone plans;

- created a new regime for entrepreneurs and popular businesses;

- established that taxpayers who earn between (i) U.S.$51,630 and U.S.$61,630 per year would pay an income tax of 30%, (ii) U.S.$61,630 to U.S.$100,000 per year would pay an income tax of 35%, and (iii) more than U.S.$100,000 per year would pay income tax rate of 37%;

- established a special contribution, for one year, for persons with assets of more than U.S.$1 million and U.S.$2 million if the so-called conjugal partnerships are considered;

- established that companies with assets over U.S.$5 million would make a solidarity contribution of 0.8% for two years;

- established that individuals who have capital or investments outside Ecuador must report them to the IRS and pay income tax in the future on that money or assets;

- established the reduction of the VAT rate from 12% to 8% for the rendering of services defined as tourist activities for a maximum of 12 days per year during holidays or weekends in order to promote tourism; and was later affected by subsequent reforms that permanently increased the general VAT rate to 13%, with presidential authority to raise it up to 15%. Pursuant to Executive Decree No. 198, the VAT rate was temporarily increased to 15% effective April 1, 2024, and Executive Decree No. 470 extended the 15% rate through 2025. A reduced 5% VAT rate now applies to certain construction materials, while the 8% preferential rate for tourism services during holidays continues to apply within the 12-day annual limit;

- exempted several services from VAT and defined a 0% VAT rate for the purchase of electric and hybrid vehicles and solar panels in order to promote energy change; and

- established that the President, by means of an Executive Decree, may reduce the ICE rate at any time, subject to a favorable opinion from the MEF.

In December 2021, Decree 298 established a reduction of the ISD for 2022 as follows:

- As of January 1, 2022 - 4.75%;

- As of April 1, 2022 - 4.50%;

- As of July 1, 2022 - 4.25%; and

- As `of October 1, 2022 - 4%.

In January 2023, Decree 643 established a reduction of the ISD for 2023 as follows:

- As of February 1, 2023 - 3.75%;
- As of July 1, 2023 - 3.50%;
- As of December 31, 2023 - 2%;

Following subsequent reforms, the ISD rate returned to 5% beginning in April 2024 and remains at 5% through 2025, as confirmed by Ecuador's tax authority.

In 2025, the Republic implemented additional tax reforms aimed at refining the tax structure, promoting targeted economic activity and supporting social and security objectives. These measures included the introduction of differentiated ISD rates applicable to certain tariff subheadings, the establishment of a 0% VAT rate on pet food, and amendments to the income tax regime applicable to the distribution of dividends or profits, including the introduction of advance payments on undistributed earnings. The reforms also maintained the 8% VAT rate applicable to tourism services during designated holiday periods, adjusted the scope of tax incentives applicable to electric vehicles, and introduced a tax deduction for employers promoting labor inclusion. In addition, the reforms provided for tax exemptions on the importation and purchase of orthopedic, adapted and non-orthopedic vehicles, and established a tax amnesty (remisión tributaria) for taxes administered and collected by the Internal Revenue Service, where the taxable event occurred on or before December 31, 2024. Finally, the 2025 reforms introduced a tax credit for donations made to the National Police and the Armed Forces, consisting of real estate, equipment and supplies intended to support internal security and the maintenance of public order, subject to the operational needs identified by the security forces.

Foreign Aid

Since 2012, Ecuador has not been listed as a country in need of foreign aid based on revenue per capita requirements from the World Bank.

Central Government Expenditures

In 2022, Central Government current expenditure totaled U.S.$24,958.5 million, while capital expenditure totaled U.S.$5,210.9 million, resulting in total expenditures of U.S.$30,169.3 million. In 2023, Central Government expenditures totaled U.S.$27,048.9 million. In that year, Central Government current expenditure amounted to U.S.$21,860.5 million, while capital expenditure totaled U.S.$5,188.5 million. In 2024, Central Government expenditures totaled U.S.$27,558.0 million. In 2024, Central Government current expenditure totaled U.S.$22,796.7 million, while capital expenditure totaled U.S.$4,761.3 million. For the nine months ended September 30, 2025, Central Government expenditures totaled U.S.$21,210.9 million. During the same period, Central Government current expenditure amounted to U.S.$17,505.0 million, while capital expenditure totaled U.S.$3,706.0 million.

2022 – 2026 Budgets

Article 118 of the Public Planning and Finance Code grants the MEF the authority to modify any approved budget in an amount of up to 5% of any approved allocation. From time to time, the MEF has revised and adjusted the sources and uses of funds initially provided for in the budget. For more information on the budget process, see "*Overview—Budget Process.*"

The 2022 budget was enacted on December 16, 2021 for fiscal year 2022 (the "2022 Budget"). The 2022 Budget was not modified and the Republic for the fiscal year 2022 operated based on the 2022 Budget as it became effective on January 3, 2022. The 2022 Budget estimated approximately U.S.$24,114.62 million in total revenue, of which U.S.$21,148.62 million was attributed to permanent revenue (such as taxes, sale of goods and services and collection of fines) and U.S.$2,966 million was attributed to non-permanent revenue, which included expected income from monetization of certain public assets. Total expenses were budgeted at U.S.$27,898.12 million, of which U.S.$21,888.25 million was for permanent or current expenditures. The expected deficit was approximately U.S.$3,783.5 million with a primary deficit of U.S.$1,550.76 million. The 2022 Budget also assumed a GDP growth rate of 2.85%. The Government's projected deficit for the year ended December 31, 2022 decreased to U.S.$3.601.81 million, a 74.8% projected decrease in the deficit compared to 2021, primarily due to

expenses optimization following the issuance of Decree 457, which repealed Decree 135 and sought to optimize public spending further, and increases in oil prices.

The 2023 budget was enacted on December 28, 2022 for fiscal year 2023 (the "2023 Budget"). The 2023 Budget estimated U.S.$23,662.13 million in total revenue, of which U.S.$18,614.81 million was attributed to permanent revenue (such as taxes, sale of goods and services, and collection of fines) and U.S.$5,047.32 million was attributed to non-permanent revenue. Total expenses were budgeted at U.S.$26,292.04 million, of which U.S.$20,075.40 million was for permanent or current expenditures. The expected deficit was approximately U.S.$2,629.91 million with a primary deficit of U.S.$120.28 million.

The 2024 budget was enacted on April 2, 2024, for fiscal year 2024 (the "2024 Budget"). Its macroeconomic assumptions include lower oil production and lower consumption and investment (slowdown in domestic demand), which is reflected in various economic indicators such as inflation, sales, non-oil imports, credits and deposits, and employment. The 2024 Budget estimates U.S.$24,039.13 million in total revenue, of which U.S.$19,928.37 million was attributed to permanent revenue (such as taxes, sale of goods and services, and collection of fines) and U.S.$4,110.76 million was attributed to non-permanent revenue. Total expenses were budgeted at U.S.$28,848.02 million, of which U.S.$20,569.32 million was for permanent or current expenditures. The expected deficit was approximately U.S.$4,808.89 million with a primary deficit of U.S.$1,180.33 million.

The 2025 Budget was not enacted through the ordinary legislative process. Due to the swearing-in of new presidential and legislative authorities during 2025, and in accordance with Article 295 of the Constitution and Article 107 of the Public Planning and Finance Code, the Republic operated under a prorogated budget for fiscal year 2025. However, the Government approved the formal pro forma budget for fiscal year 2025 in September 2025, in accordance with the procedures set forth in the Public Planning and Finance Code.

The 2025 Budget amounts to U.S.$36,063.02 million in total revenue and total expenditures. Of total revenue, U.S.$20,627.62 million corresponds to permanent revenue (including taxes, fees, sales of goods and services and the collection of fines), U.S.$5,003.06 million corresponds to non-permanent revenue (including capital revenues and hydrocarbon-related income), and U.S.$10,432.33 million corresponds to financing sources. Total expenditures consist of U.S.$20,315.48 million in permanent or current expenditures, U.S.$1,573.32 million in investment expenditures, U.S.$6,569.87 million in capital expenditures, and U.S.$7,604.35 million in financing-application expenditures, including amortization of public debt.

The macroeconomic assumptions underlying the 2025 Budget reflect the latest official projections available as of late 2024, including: (i) nominal GDP of U.S.$125,931 million for 2025; (ii) a real GDP growth rate of 1.5%; (iii) average annual inflation of 2.3%; (iv) oil production of approximately 171.9 million barrels; and (v) an average crude oil export price of U.S.$63.7 per barrel. These assumptions are based on the September 2024 macroeconomic program published by the Ministry of Economy and Finance and the Central Bank, which revised 2024 GDP growth downward to 0.9% and reflected weaker domestic demand, lower non-oil imports and ongoing security- and political-related uncertainties.

Pursuant to the Organic Code of Planning and Public Finance and its implementing regulations, the Ministry of Economy and Finance has issued binding directives, methodological guidelines, spending ceilings and the programming calendar for the preparation of the 2026 pro forma budget and the 2026–2029 multi-year fiscal framework. These directives establish the macro-fiscal parameters, sectoral priorities, programmatic structure and expenditure-quality rules applicable to all central government entities in the formulation of the 2026 pro forma budget.

The 2026 pro forma budget was approved by the National Assembly on November 29, 2025, within the constitutionally mandated deadlines. The 2026 Budget amounts to U.S.$46,255 million in total revenue and total expenditures. Of total revenue, U.S.$21,679 million corresponds to permanent revenue (including taxes, fees, sales of goods and services and the collection of fines), U.S.$8,470 million corresponds to non-permanent revenue (including capital revenues and hydrocarbon-related income), and U.S.$16,104 million corresponds to financing sources. Total expenditures consist of U.S.$23,482 million in permanent or current expenditures, U.S.$1,764 million in investment expenditures, and U.S.$10,495 million in capital expenditures.

The macroeconomic assumptions underlying the 2026 Budget are the following: (i) nominal GDP of U.S.$139,046 million; (ii) real GDP growth rate of 1.8%; (iii) average annual inflation of 3.2%; (iv) oil production of 165.5 million barrels; and (v) an average crude oil export price of U.S.$53.50 per barrel.

Public-sector finances are managed within a framework centered on fiscal consolidation and medium-term sustainability. The Government has implemented measures to bolster revenues, prioritize expenditure, and strengthen budget execution and fiscal planning, supported by enhanced coordination with multilateral institutions. Together, these actions underpin the fiscal policies reflected in the 2025 and 2026 budgets, and aim to improve fiscal predictability, reinforce debt-management practices, and strengthen confidence in Ecuador's public-finance framework.

PUBLIC DEBT

General

Under the 2008 Constitution, the National Assembly has the power to adopt legislation governing the issuance of public debt and to appropriate funds required for debt service. Acting pursuant to this constitutional mandate, the National Assembly approved the Public Planning and Finance Code, which governs the procedures that must be observed in all public debt matters. The Public Planning and Finance Code rules concerning public debt apply to the MEF, which is the only Government institution allowed to contract for the issuance of sovereign debt by the Republic, as well as obligations of the municipalities guaranteed by the Government.

Because all public debt governed by the Public Planning and Finance Code must comply with the public indebtedness policies adopted by the executive branch, the MEF must obtain the approval of the Debt and Finance Committee of the Republic before signing any agreement with respect to sovereign debt. See "*Monetary System—Fiscal Policy.*" This requirement is established by Article 289 of the 2008 Constitution and Article 139 of the Public Planning and Finance Code. Approval is not required for any obligation that is less than 0.15% of the General State Budget and does not have a sovereign guarantee. Any contract entered into by the MEF that required but did not obtain the approval of the Debt and Finance Committee is null and void and unenforceable and may give rise to civil and criminal liability for the individuals involved. Approval of the Debt and Finance Committee is evidenced by a memorandum signed by each member of the Committee. Once the MEF obtains approval of the Debt and Finance Committee, it may enter into an agreement to incur debt obligations; provided that the Attorney General of Ecuador has approved any clauses providing for the application of foreign law and/or arbitration in a foreign jurisdiction. Loan proceeds are disbursed to the MEF, which in turn, transfers such proceeds to the ultimate borrower.

The use of proceeds for public debt is limited by Article 126 of the Public Planning and Finance Code. Under the Public Planning and Finance Code, proceeds of public debt transactions may only be used to: (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay the debt obligation and (3) refinance an existing external debt obligation on more favorable terms. The Public Planning and Finance Code prohibits public transactions for the purpose of paying ongoing expenses, with the exception of expenses related to health, education, and justice under exceptional circumstances as determined by the President.

Although public debt service is the primary responsibility of the entity for whose benefit the loan was received, debt governed by the Public Planning and Finance Code is an obligation of the Government. Accordingly, transfers from the Government to any entity pursuant to the annual budget take into account debt service obligations for the following year. The system of authorization through the Constitution and the Debt and Finance Committee, plus the 40% of debt-to-GDP limit and other provisions from the Public Planning and Finance Code, seek to maintain a stable external debt level and have resulted in a low debt-to-GDP ratio as compared to other countries.

The consolidated public debt of Ecuador, including other payment obligations of the non-financial public sector and social security, totaled U.S.$62,260.29 million as of December 31, 2024, compared to U.S.$61,256.03 million as of December 31, 2023 and U.S.$63,692.17 million as of December 31, 2022. The Public Debt and Other Obligations to GDP Indicator decreased from 55.36% as of December 31, 2022 to 51.23% as of December 31, 2023 and 50.58% as of December 31, 2024.

The consolidated public debt of Ecuador, including other payment obligations of the non-financial public sector and social security, totaled U.S.$62,545.43 million as of September 30, 2025, compared to U.S.$63,435.82 million as of September 30, 2024. The Public Debt and Other Obligations to GDP Indicator decreased from 51.53% as of September 30, 2024 to 46.77% as of September 30, 2025.

Public sector total aggregated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$62,260.3 million as of December 31, 2024, compared to U.S.$61,256.0 million as of December 31, 2023 and U.S.$63,692.2 million as of December 31, 2022, and represented 49.94% of GDP as of December 31, 2024 (compared to 50.56% as of December 31, 2023 and 54.84% as of December 31, 2022).

Public sector total consolidated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$62,260.3 million as of December 31, 2024, compared to U.S.$52,833.5 million as of December 31, 2023 and U.S.$54,231.5 million as of December 31, 2022.

Public sector total aggregated debt, including internal and external debt of the total public sector and other obligations, totaled U.S.$63,435.8 million as of September 30, 2024, compared to U.S.$62,545.4 million as of September 30, 2025, and represented 51.53% of GDP as of September 30, 2024 (compared to 46.77% as of September 30, 2025).

Methodology for Calculating the Public Debt-to-GDP Ratio

On October 25, 2016, pursuant to Article 147, Clause 13 of the 2008 Constitution, former President Correa exercised his presidential authority to issue implementing regulations and signed Decree 1218, which modified Article 135 of the Rules to the Public Planning and Finance Code. Decree 1218 changed to a consolidated basis the methodology that the MEF used to calculate the total public debt-to-GDP ratio for the purpose of establishing whether the total public debt ceiling of 40% established in Article 124 of the Public Planning and Finance Code had been exceeded. Under Decree 1218, the MEF used the total consolidated public debt methodology set out in the Manual of Public Finance Statistics of the IMF. The GFSM 2014, which was published in 2014, provides that the presentation of government financial statistics, including total public debt, should be calculated on a consolidated basis rather than on an aggregate basis. According to the GFSM 2014, the consolidation methodology presents statistics for a group of units as if accounting for a single unit. In the context of total public debt, this means that debt that flows between governmental units or entities or between the Central Government and these governmental units or entities ("intra-governmental debt") is not included in the calculation of total public debt. Decree 1218 did not affect external debt as external debt is owed to entities outside of the Ecuadorian government and is, therefore, not affected by the exclusion of intra-governmental debt. This principle was reaffirmed in the preamble of the Organic Law for Productive Development, approved by the National Assembly in June 2018.

In contrast, the aggregation methodology, which the MEF used prior to Decree 1218, did include intra-governmental debt in the calculation of total public debt. By changing the method of calculating total public debt from an aggregation methodology to a consolidation methodology, Decree 1218 effectively eliminated certain types of debt from the calculation and, by extension, reduced the amount of public debt taken into account for purposes of the 40% public debt-to-GDP ceiling. Following the enactment of Decree 1218, the MEF was in communication with the IMF with respect to methodologies used for measuring public debt. Since the Office of the Comptroller General issued its CGR Audit Report and prior to the publication of the April 2019 Debt Bulletin, the MEF had only been releasing public debt-to-GDP ratio information applying the aggregation methodology.

In June 2018, the National Assembly approved the Organic Law for Productive Development (submitted by former President Moreno), which became effective in August 2018, and provided certainty as to the nature of certain activities as contingent liabilities for purposes of the calculation of the debt-to-GDP ratio, and provided that for the period from 2018 to 2021, unless the public debt reached a level below the public debt ceiling of 40% of GDP, the public debt ceiling would not apply. The law also provided for the implementation of a fiscal stability plan by the MEF for the period from 2018 to 2021. The law set forth that in each subsequent fiscal year after 2021, the General State Budget must be presented with a fiscal program aimed at reducing over time the amount of total public debt relative to GDP, until it reaches a level below the 40% debt-to-GDP ratio. The law also mandated that the MEF issue within 90 days from August 21, 2018 a new regulation implementing a new accounting methodology in accordance with Article 123 of the Public Planning and Finance Code (as amended), internationally accepted standards and best practices for the registration and disclosure of public debt.

On October 15, 2018, former President Moreno issued Decree 537 repealing Decree 1218 in its entirety. On October 30, 2018, Decree 537 was published and the repeal of Decree 1218 became effective. On December 20, 2018, the Regulation to the Organic Law for Productive Development became effective amending, among others, Article 133 of the Rules to the Public Planning and Finance Code to provide that the MEF would produce both aggregated and consolidated financial statements of the public debt for the public sector, the non-financial public sector and the Central Government in a period of no more than 60 days after the end of each month. These amendments also provided that in establishing the total amount of public debt, the MEF must consider the aggregate public debt-to-GDP indicator of the entities constituting the public sector. This indicator must be calculated and projected based on the public debt aggregate statements, at least for the final balances, for the following four years. Among other provisions, the regulation provided guidance for calculating the debt-to-GDP ratio for these purposes, as well as for reducing the balance of the public debt below 40% and for ensuring that the balance of the public debt does not exceed 40% of GDP after it has been reduced, see "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for Productive Development.*"

On November 19, 2018, the MEF issued the Regulation Implementing the Public Debt-to-GDP Ratio Calculation Methodology setting out the 2018 Methodology. The 2018 Methodology provided that the calculation of the public debt-to-GDP ratio was to be based on total public debt as published in the official aggregate financial statements and the latest nominal

GDP as published by the Central Bank. The 2018 Methodology defined total public debt as the sum of the public debt incurred by the entities comprising the public sector and added certain debt instruments to the calculation of public debt that were not previously included, including oil presales. In contrast with the prior methodology for calculating the public debt-to-GDP ratio, under the 2018 Methodology, (i) the calculation of public external debt also included oil presales, the Central Bank's special drawing rights with the IMF, and liabilities under intangible contractual rights; and (ii) the calculation of public internal debt also included outstanding obligations of the Government (accrued but unpaid) to the public and private sectors that were already recorded in the closed budgets of the General State Budget for previous years and debt instruments entered into by entities of the non-financial public sector with the Ecuadorian Development Bank.

On May 2021, Ministerial Agreement No. 036 was issued, in which the MEF resolved, among other things, that the MEF had to issue, within 60 days from its effective date, all necessary administrative acts to begin publishing the new Total Public Debt and Other Obligations - GDP Indicator, in application of the 2018 Methodology and, by virtue of the Ministerial Agreement No. 0071 issued on July 20, 2021, such period was extended by an additional period of up to 60 business days from the date of such Ministerial Agreement.

On August 14, 2021, Ministerial Agreement No. 0077 was issued, in which the MEF resolved "*to issue the Methodology for the calculation of the Debt Rule Indicator and other payment obligations of the non-financial public sector and Social Security*" (the "New Methodology") repealing Ministerial Agreement No. Ministry of Economy and Finance - 2018-0134 of November 19, 2018 (including the 2018 Methodology), Ministerial Agreement No. 036 of May 20, 2021 and Ministerial Agreement No. 071 of June 20, 2021. The New Methodology provides that:

- The indicator according to the fiscal rule contained in the Public Planning and Finance Code (the "Public Debt and Other Obligations to GDP Indicator") must be a ratio calculated based on the consolidated total balance of the public debt and other obligations of the non-financial public sector and social security (as published by the MEF in its public debt statistical register contained in its public debt bulletins) and the latest nominal GDP (as published by the Central Bank). The Public Debt and Other Obligations to GDP Indicator must be calculated on a consolidated basis, deducting debt and other obligations between entities of the non-financial public sector and social security. In calculating the Public Debt and Other Obligations to GDP Indicator, the following components must be considered: (1) public debt, according to the provisions of the Public Planning and Finance Code; (2) securities with maturities of less than 360 days; (3) advances agreed in commercial product sales contracts; (4) liabilities derived from liquidity agreements; (5) contractual rights originated or linked to ordinary operations; and, (6) other obligations pending payment of the current fiscal year as set forth in the financial statements and administrative records of the entities of the non-financial public sector and social security that are submitted and managed by the MEF.

- The MEF must prepare the aggregated and consolidated statements of public debt and other obligations of the public sector, the sectors, subsectors and other groups defined in the technical standard within 60 days after the end of each month. All public entities of the non-financial public sector and social security must prepare and submit monthly to the MEF the aggregated and consolidated institutional statements of public debt and other obligations within 30 days after the end of each month. The information published in the public debt bulletins of the MEF and the Public Debt and Other Obligations to GDP Indicator is provisional until the Central Bank publishes the definitive GDP of the previous fiscal year. The MEF must determine and validate the definitive values of both the information in the debt bulletins and the Public Debt and Other Obligations to GDP Indicator within 60 days following the publication of the GDP of the previous fiscal year by the Central Bank.

- The Vice Minister of Finance must issue and keep permanently updated a technical norm containing the "*Manual of Instructions and Reference Definitions for the implementation of the Public Debt – GDP Methodology*."

- Within 180 days from the effective date of the Ministerial Agreement, the Undersecretariat of Public Financing must publish the historical statistical series with the application of this methodology since 2010.

On October 15, 2021, the Ministerial Agreement No. 0096 was issued and resolved to approve the "Technical standard for the preparation, content and publication of public debt and its statistical annex."

On October 22, 2021, Ministerial Agreement No. 0099 was issued by which it was resolved "to replace the Manual of Instructions and Reference Definitions for the implementation of the Methodology for the calculation of the Indicator of the Debt Rule and other payment obligations of the non-financial public sector and Social Security," contained in Ministerial

Agreement No. 0095 of October 15, 2021. Ministerial Agreement No. 0099 provides an explicit and referential definition of each of the components that, in accordance with the law and Ministerial Agreement No. 0077 of August 14, 2021, must be considered for such calculation. Ministerial Agreement No. 0099 also provides a definition of public indebtedness according to Article 3, Section I.- Referential Definition of Component 1: Public Indebtedness as provided in the Public Planning and Finance Code. Ministerial Agreement No. 0099 provides that the contingent liabilities must not be included in the calculation of the Public Debt and Other Obligations to GDP Indicator. Ministerial Agreement No. 0099 also provides that the monthly debt bulletins of the MEF must report the public debt of the General State Budget, the non-financial public sector including social security, and the total public sector both on an aggregated and consolidated basis; and the contingent liabilities of the Central Government.

The Organic Law for the Regulation of Public Finances also amended the Public Planning and Finance Code. The Public Planning and Finance Code established a limit for Ecuador´s public indebtedness of 40% of GDP, which was amended in August 2018 by the Organic Law for Productive Development, to, among other changes, temporarily suspend from 2018 until 2021 the public debt-to-GDP ceiling of 40% of GDP. The Organic Law for the Regulation of Public Finances further amended the Public Planning and Finance Code by, among other things, extending the waiver of the public debt-to-GDP limit and setting out a timetable for the gradual decrease of public debt by imposing transitional debt-to-GDP ratio ceilings starting at 57% by 2025 and reducing it to 45% by 2030 and to 40% by 2032, after which the public debt-to-GDP ratio will be required by law to be kept at or below the legal limit of 40%. See "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for the Regulation of Public Finances.*" As of September 30, 2025, Ecuador's current debt-to-GDP ratio is 46.7%, well below the target amount for 2025.

The table below sets forth the total consolidated public debt including other payment obligations of the non-financial public sector and social security and the Public Debt and Other Obligations to GDP Indicator under the New Methodology.

Public Debt and Other Obligations to GDP Indicator [(1)]

	As of December 31,				As of September 30,	
	2021	**2022**	**2023**	**2024**	**2024**	**2025**
	(in millions of U.S.$, except percentages)					
Total External Debt	46,041.94	47,707.43	46,877.30	48,141.70	48,651.60	48,201.68
Total Internal Debt	14,140.13	14,234.82	13,448.59	14,118.58	14,784.22	13,463.75
Total Other Obligations	2,023.48	1,749.91	930.14	830.86	636.89	880.00
Total Public Debt	**62,205.55**	**63,692.17**	**61,256.03**	**62,260.29**	**63,435.82**	**62,545.43**
Public Debt and Other Obligations to GDP Indicator[(2)]	58.04%	54.84%	50.56%	49.94%	51.53%	46.77%

Source: Data from Ministry of Economy and Finance, Public Debt Bulletin for December 2021, 2022, 2023 and 2024, and September 2024 and 2025. https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

(1) Under the New Methodology.

(2) Based on MEF's provisional figure, included in the Public Debt Bulletin.

Review and Audit by the Office of the Comptroller General

Under the General Comptroller Law, the Office of the Comptroller General has the authority to examine the use of public resources by both public and private institutions. Following the amendment to the 2008 Constitution on December 21, 2015, the Office of the Comptroller General does not have the authority to audit the management of public resources under principles of effectiveness, efficiency and economy (*auditoria de gestión*), but it may still conduct a legality, financial and/or administrative audit. More specifically, according to Article 19 of the General Comptroller Law, the Office of the Comptroller General has the authority to carry out special audits to verify limited aspects of governmental activities under these parameters.

In July 2017, the Office of the Comptroller General, headed by Dr. Pablo Celi, announced pursuant to *Acuerdo* 024-CG-2017 its intention to conduct a special audit on the legality, sources and uses of all the internal and external debt of the Republic incurred between January 2012 and May 2017, as authorized by Ecuadorian law, to examine acts of public entities. The Office of the Comptroller General previously audited all of the Republic's internal and external debt borrowed or issued between 2009 and 2015 and found no illegalities in the process of borrowing or issuing debt. The review included, among others, the MEF and the Central Bank. On January 8, 2018, the Comptroller General announced the creation of a Citizen Oversight Commission composed of Ecuadorian professionals, including former high level public officials such as a former Vice President, two former Comptrollers General, and a former Minister of Economy and Finance, to observe the procedures and methodology relating to the Republic's incurrence of debt from January 2012 through to May 2017. The Comptroller

General indicated that the Citizen Oversight Commission did not replace the Comptroller General in its functions and powers, and that its findings would not be binding; rather it was the intention that the participation of the Citizen Oversight Commission would promote transparency.

The Special Audit concluded on April 6, 2018, when the Office of the Comptroller General issued its CGR Audit Report including: (i) conclusions of the Special Audit conducted; and (ii) recommendations regarding actions related to specific contracts or methodologies (according to the law, these recommendations are mandatory for public entities and cannot be challenged). The Special Audit did not result in the annulment of previous acts or the invalidation of existing contracts, which may only occur with judicial intervention in a proceeding initiated before Ecuadorian courts.

The CGR Audit Report concluded that certain rules that defined the methodology to calculate public debt were replaced with laws and regulations that allowed for discretion in the application and use of certain concepts related to public debt and, specifically, that the amounts of advance payments pursuant to certain commercial agreements providing for the advance payment of a portion of the purchase price of future oil deliveries should have been categorized as public debt and included in the calculation of the public debt-to-GDP ratio. The CGR Audit Report also concluded that Decree 1218 of 2016 established a methodology for the calculation of public debt in relation to GDP (based on the total consolidated public debt methodology set out in the Manual of Public Finance Statistics of the IMF), which was not consistent with Article 123 of the Public Planning and Finance Code and deviated from the practice of using the aggregation of public debt methodology for the purpose of establishing whether the public debt-to-GDP ceiling of 40% had been exceeded. Consequently, Decree 1218 allowed the Government to enter into certain debt transactions without obtaining the prior approval of the National Assembly despite the fact that, according to the Office of the Comptroller General, the total public debt-to-GDP ratio would have exceeded the 40% limit established in Article 124 of the Public Planning and Finance Code had Decree 1218 not been in place.

The CGR Audit Report also set forth conclusions and recommendations regarding certain interinstitutional agreements between the MEF and Petroecuador, and found deficiencies in the filing of debt documentation, the implementation of the agreed joint office for the management and monitoring of certain credit agreements between the MEF and the China Development Bank, and the confidential nature of certain finance documents relating to public debt.

In April 2018, during the presentation of the CGR Audit Report to the public, the Office of the Comptroller General announced that the Special Audit resulted in indications of: (i) administrative liability of certain public officials, which may lead to the dismissal of those officials, (ii) civil liability of certain current or former public officials, which may lead to fines if those officials acted in breach of their duties, and (iii) potential criminal liability of certain former or current public officials. Civil and administrative indications of liability are reviewed by the Office of the Comptroller General, whereas potential criminal liability can only be determined by the Office of the Prosecutor General, with exclusive powers to press charges. If the Office of the Comptroller General finds that such former or current officials acted in breach of their duties, it could issue a resolution determining civil and/or administrative liability. A final resolution from the Office of the Comptroller General can be appealed to the district administrative courts.

In April 2018, the Office of the Comptroller General delivered to the Office of the Prosecutor General a report regarding the indications of potential criminal liability of certain former or current public officials. Based on that report, the Office of the Prosecutor General initiated a preliminary criminal investigation against former President Correa, three former Ministers of Finance and seven other former public officials of the Ministry of Economy and Finance.

The CGR Audit Report recommended that, in order to reconcile amounts comprising public debt, the Public Planning and Finance Code should be amended and Decree 1218 should be repealed with respect to the calculation of the total public debt-to-GDP ratio to ascertain the actual value of total public debt and determine if that amount exceeded the 40% debt-to-GDP ratio set out in Article 124 of the Public Planning and Finance Code. Following these recommendations, on June 21, 2018, the National Assembly passed the Organic Law for Productive Development, which became effective on August 21, 2018. See "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for Productive Development.*"

On October 15, 2018, former President Moreno issued Decree 537 repealing Decree 1218 in its entirety, which became effective on October 30, 2018. On November 19, 2018, the MEF issued the Regulation Implementing the Public Debt-to-GDP Ratio Calculation Methodology setting out the 2018 Methodology, which was repealed on August 14, 2021 by Ministerial Agreement No. 0077 in which the MEF resolved to issue the Methodology for the calculation of the Debt Rule Indicator and other payment obligations of the non-financial public sector and social security. See "*Methodology for Calculating the Public Debt-to-GDP Ratio*" above.

On December 20, 2018, the Regulation to the Organic Law for Productive Development became effective amending, among others, Article 133 of the Rules to the Public Planning and Finance Code to provide that the MEF must produce both aggregated and consolidated financial statements of the public debt for the public sector, the non-financial public sector and the Central Government in a period of no more than 60 days after the end of each month. See "*The Ecuadorian Economy—Economic and Social Policies—Organic Law for Productive Development.*"

The Special Audit resulted in additional audits, including an examination finalized in July 2018, regarding the issuance, placement and payment of CETES by the Republic; an examination finalized in April 2019, regarding the contracts with service providers (including lawyers, banks, financial agents and other firms) involved in public debt transactions, covering the period between January 1, 2012 and December 31, 2017; an examination finalized in April 2019, regarding the Republic's use of shares of public banks to pay the Central Bank covering the period between January 1, 2016 and December 31, 2017; an examination finalized in May 2019, regarding the entry, registration and use of funds from oil presale contracts, covering the period between January 1, 2012 and December 31, 2017; and a follow-up examination finalized in May 2019, regarding the application of the recommendations under the CGR Audit Report, covering the period between April 6, 2018 and October 31, 2018.

Any financing transactions could in the future be subject to the review of the Office of the Comptroller General within its powers granted by Ecuadorian law to examine acts of public entities. For a description of the risks of any action by the Government in relation to the 40% public debt-to-GDP ceiling and related accounting methodologies, see "*Risk Factors—Ecuador may incur additional debt beyond what investors may have anticipated, which may result in Ecuador not being able to comply with its debt-to-GDP limit under Ecuadorian law could materially adversely affect the Ecuadorian economy and the interests of the holders of Ecuador's debt.*"

External Debt

The total consolidated external debt of the public sector in Ecuador totaled U.S.$47,815.67 million as of December 31, 2023, compared to U.S.$48,336.72 million as of December 31, 2022 and U.S.$46,534.02 million as of December 31, 2021. The increase in the total consolidated external debt of the public sector between December 31, 2021 and December 31, 2023 was primarily the result of the disbursements under certain multilateral loans for purposes of financing investment programs and projects as established by Ecuadorian law in Article 290 of the 2008 Constitution and Article 126 of the Public Planning and Finance Code.

The total consolidated external debt of the public sector in Ecuador totaled U.S.$49,347.29 million as of December 31, 2024, compared to U.S.$47,815.67 million as of December 31, 2023. The increase in the total consolidated external debt of the public sector between December 31, 2023 and December 31, 2024 was primarily the result of the increase in multilateral and bilateral government lending.

The total consolidated external debt of the public sector in Ecuador totaled U.S.$49,312.24 million as of September 30, 2025, compared to U.S.$48,651.60 million as of September 30, 2024. The increase in the total consolidated external debt of the public sector between September 30, 2024 and September 30, 2025 was primarily the result of the increase in multilateral and bilateral government lending.

As of June 30, 2025, the total consolidated debt owed to multilateral institutions was U.S.$ 28,761.1 million. The Republic is current on all its obligations to multilateral institutions. As of June 30, 2025, the total consolidated debt owed to other governments was U.S.$ 3,720.7 million.

The following table set forth information regarding Ecuador's consolidated public sector external debt as of the dates indicated:

Consolidated External Debt

	As of December 31,				As of September 30	
	2021	2022	2023	2024	2024	2025
	(in thousands U.S.$)					
External Loans and Debt Securities Issued on International Markets:						
Original Agreements (Banks)	1,169,209.59	974,127.12	942,708.65	797,698.84	828,876.52	796,031.58
Original Agreements (Governments)	5,757,151.45	4,971,314.48	4,513,700.61	4,052,707.23	4,143,870.52	3,720,735.24
International Organizations (Multilaterals)	21,432,067.61	24,348,036.09	25,418,833.37	28,388,956.05	27,907,519.26	28,761,072.35
Suppliers	--	--	--	--	--	--
Debt Securities Issued on International Markets	17,725,257.69	17,686,221.13	16,008,425.33	14,209,883.17	15,979,388.77	14,378,375.42
International Financial Institutions	--	--	656,022.00	1,656,022.00	656,022.00	1,656,022.00
Subtotal of External Loans and Debt Securities Issued on International Markets	**46,083,686.34**	**47,979,698.83**	**47,539,689.96**	**49,105,267.30**	**49,515,677.06**	**49,312,236.60**
Other Obligations:						
Financing Tied to Oil						
Advances Agreed in Commercial Contracts for Sale of Products	--	--	--	--	--	--
Subtotal of Advances Agreed in Commercial Contracts for Sale of Products	--	--	--	--	--	--
	450,331.47	357,020.04	275,981.72	208,502.68	220,501.56	163,832.09
Subtotal of Contractual Rights Arising From/Linked to Ordinary Operations	450,331.47	357,020.04	275,981.72	**208,502.68**	**220,501.56**	**163,832.09**
Subtotal of Other Obligations	**450,331.47**	**357,020.04**	**275,981.72**	**208,502.68**	**220,501.56**	**163,832.09**
Total External Debt	**46,534,017.81**	**48,336,718.87**	**47,815,671.68**	**49,313,769.98**	**49,736,178.63**	**49,476,068.69**

Source: Data from Ministry of Economy and Finance, Public Debt Bulletin for December 2021, 2022, 2023 and 2024, and September 2024 and 2025. https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

The following table sets forth information regarding Ecuador's aggregated public sector external debt as of the dates indicated:

Aggregated External Debt

	As of December 31,				As of September 30	
	2021	2022	2023	2024	2024	2025
			(in thousands U.S.$)			
External Loans and Debt Securities Issued on International Markets						
Original Agreements (Banks)	1,169,209.59	974,127.12	942,708.65	797,698.84	828,876.52	796,031.58
Original Agreements (Governments)	5,757,154.54	4,971,314.48	4,513,700.61	4,052,707.23	4,143,870.52	3,720,735.24
International Organizations (Multilaterals)	21,432,067.61	24,348,036.09	25,418,833.37	28,388,956.05	27,907,519.26	28,761,072.35
Suppliers	-	-	-	0	0	0
Debt Securities Issued on International Markets	17,725,257.69	17,686,221.13	16,008,425.33	14,209,883.17	15,979,388.77	14,378,375.42
International Financial Institutions		-	656,022.00	1,656,022.00	656,022.00	1,656,022.00
Subtotal of External Loans and Debt Securities Issued on International Markets	**46,083,689.43**	**47,979,698.83**	**47,539,689.96**	**49,105,267.30**	**49,515,677.06**	**49,312,236.60**
Other Obligations	--	--	--	--	--	--
Financing Tied to Oil	--	--	--	--	--	--
Advances Agreed in Commercial Contracts for Sale of Products	--	--	--	--	--	--
Subtotal of Advances Agreed in Commercial Contracts for Sale of Products	--	--	--	--	--	--
Contractual Rights Arising From/Linked to Ordinary Operations	450,331.46	357,020.04	275,981.72	208,502.68	220,501.56	163,832.09
Subtotal of Contractual Rights Arising From/Linked to Ordinary Operations	450,331.46	357,020.04	275,981.72	208,502.68	220,501.56	163,832.09
Subtotal of Other Obligations	450,331.46	357,020.04	275,981.72	208,502.68	220,501.56	163,832.09
Subtotal of Other Obligations	450,331.46	357,020.04	275,981.72	208,502.68	220,501.56	163,832.09
Total External Debt	**46,534,020.90**	**48,336,718.87**	**47,815,671.68**	**49,313,769.98**	**49,736,178.63**	**49,476,068.69**

Source: Data from Ministry of Economy and Finance, Public Debt Bulletin for December 2021, 2022, 2023 and 2024, and September 2024 and 2025. https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

On December 1, 2016, Petroecuador signed a crude oil sale and purchase contract with PTT International, pursuant to which Petroecuador received initial prepayments of U.S.$600 million shortly after signing for crude oil to be delivered during the five-year term of the contract. On December 6, 2016, Petroecuador signed a fuel oil sale and purchase contract with OTI, pursuant to which Petroecuador received an initial prepayment of U.S.$300 million for fuel oil to be delivered to OTI during the 30-month term of the contract, which has been already fully amortized by Petroecuador. As of October 2019, all deliveries under the contract had been fulfilled. In connection with each contract, the Republic has agreed to refund to the purchasers any amounts of the prepayments and related surcharges for advance payment which are not otherwise satisfied through the delivery of crude oil or fuel oil, respectively, or refunded by Petroecuador in accordance with the contracts.

From 2010 through 2018, Ecuador entered into five separate loan agreements (denominated in U.S. dollars and Chinese Renminbi) with the China Development Bank totaling approximately U.S.$7,900 million, which are related to a multi-party contractual structure that involves crude oil delivery contracts entered into with PetroChina and Unipec. Deliveries under these contracts are based upon international spot prices, based on a formula consisting of WTI plus or minus a spread, plus a premium paid due to the term of the contracts. The spread is calculated using (i) a yield table setting forth the contemporary market price of the expected outputs of refining the crude oil delivered, (ii) a factor taking into account shipping costs based on market information, and (iii) the quality of crude oil as measured by the American Petroleum Institute. Under these agreements, Ecuador is required to invest the loaned amounts in specific infrastructure projects or programs in Ecuador. The first loan agreement, signed in 2010, totaling U.S.$1,000 million, was repaid in its entirety, at the end of its original four-year term. The second loan agreement, signed in 2011, totaling approximately U.S.$2,000 million, had an eight-year term and was voluntarily prepaid in its entirety on September 27, 2018. The third loan agreement, signed on December 20, 2012, totaling approximately U.S.$2,000 million, has an eight-year term. The fourth loan agreement, signed on April 29, 2016, totaling approximately U.S.$2,000 million, has an eight-year term. The fifth loan agreement denominated in U.S. dollars and Chinese Renminbi, signed on December 12, 2018, totaling approximately U.S.$900 million, has a six-year term. In August 2020, during the restructuring of its external bond debt, Ecuador reached an agreement with the China Development Bank to reschedule payments under the credit line entered into in 2016. This provided Ecuador with U.S.$417 million in financial relief by granting a 12-month grace period on principal repayments, during which time payments on the loan were suspended. The transaction also included rescheduling oil deliveries by Petroecuador without any additional commitments, helping Ecuador manage its debt and economic crisis. On September 19, 2022, Ecuador reached another debt restructuring agreement with the China Development Bank, providing U.S.$1.4 billion in debt relief through 2025, consisting mainly of a three-year extension on repayment deadlines, lower interest rates and adjusted oil export commitments.

On February 21, 2017, the Republic entered into a U.S.$50 million loan with the JBIC with a term of 12 years to finance an energy efficiency project related to residential water heating.

On March 14, 2017, the Republic entered into a U.S.$200 million loan with CAF with a term of two years to partially finance projects relating to the generation, distribution and transmission of electricity, of which only U.S.$80 million was ultimately disbursed.

On April 1, 2017, the Republic entered into a U.S.$75 million loan with the French Development Agency (the "AFD") with a term of 20 years to finance certain educational projects.

On April 18, 2017, the Republic entered into a U.S.$60 million loan with the IDB with a term of 25 years to finance the reconstruction of electrical infrastructure in areas affected by the Pedernales Earthquake and the incorporation of seismic resistant infrastructure in the provinces of Esmeraldas, Manabí and Santo Domingo.

On May 22, 2017, the IESS entered into a seven-year U.S.$47 million credit agreement with Deutsche Bank, Sociedad Anónima Española, Banco Santander, S.A. and Banco Popular Español, S.A. guaranteed by Ecuador to partially finance the construction and the purchase of equipment for the IESS hospital in the city of Quito.

On August 11, 2017, the Republic entered into a U.S.$65 million credit facility agreement with the AFD with the principal amount due in semi-annual installments and with the last installment due on December 1, 2036. The proceeds can be used to finance the reconstruction of housing by CFN or the *Corporación Nacional de Finanzas Populares y Solidarias* ("CONAFIPS") adding earthquake resistant features and to reactivate the main productive sectors in the Ecuadorian provinces most affected by the Pedernales Earthquake.

On October 20, 2017, the Development Bank of Ecuador ("DBE") entered into an eight-year U.S.$200 million facility agreement with the China Development Bank guaranteed by the Republic, acting through the MEF. The first tranche of U.S.$120 million was used for on-lending by the DBE to eligible Ecuadorian State-owned enterprises and government agencies for purposes of financing projects in Ecuador that had been approved by China Development Bank. The second tranche of U.S.$80 million was used for on-lending by the DBE to eligible Ecuadorian State-owned enterprises and government agencies for purposes of financing payments to be made to suppliers in connection with telecommunications, road construction, transportation and equipment, sewage, potable water and sanitation projects.

On December 20, 2017, the Republic entered into a credit facility agreement with the AFD for an amount of up to U.S.$35 million to finance, in part, housing and reconstruction in Ecuadorian areas affected by the Pedernales Earthquake. The first installment was due and payable on December 1, 2022 and the last installment is due and payable on June 1, 2037.

On December 29, 2017, the Republic entered into a financing agreement with the International Fund for Agricultural Development to finance the Revitalizing Project of Inclusive Alliances in Value Chains with the purpose of improving the income of small producers of cacao, blueberry and cape gooseberry within a designated area. The financing agreement established a facility for an amount of U.S.$25.66 million with a repayment term of 18 years and a donation for an amount of U.S.$250,000.

On September 7, 2018, the Republic entered into a U.S.$250 million additional loan facility with the IDB with a final amortization date of May 15, 2040 to finance costs related to the construction of a subway system in Quito.

On September 7, 2018, the Republic entered into a U.S.$237.6 million loan facility with the IDB with a final amortization date of December 15, 2042 to finance the first phase of a project to improve quality in the provision of social services.

On September 14, 2018, the Republic entered into a U.S.$150 million loan with CAF with a term of 12 years, with a 12-month grace period for the payment of principal, to partially finance projects relating to the generation, distribution and transmission of electricity.

On September 26, 2018, the Republic increased its existing financing agreement with Credit Suisse dated October 27, 2014 for an additional amount of CHF100 million. This financing facility established a repayment term of seven years.

On November 28, 2018, the Municipality of the Metropolitan District of Quito and CAF entered into a 15-year U.S.$152.2 million loan agreement to partially finance the Quito subway system. This loan agreement is guaranteed by Ecuador acting through the MEF.

On November 29, 2018, the Municipality of the Metropolitan District of Quito and the International Bank for Reconstruction and Development (the "IBRD") entered into a U.S.$230 million loan agreement, to be repaid by March 15, 2038, to finance the construction of two subway stations and other infrastructure and facilities and the provision of equipment and technical and implementation support for line one of the Quito subway system currently under construction. This loan agreement is guaranteed by the Republic acting through the MEF.

On November 29, 2018, the *Ente Municipal de Regulación y Control del Agua Potable de Guayaquil* (Municipal Entity for the Regulation and Control of Drinking Water in Guayaquil) and the IBRD entered into a U.S.$233.6 million loan agreement, to be repaid by March 1, 2053, to finance the increase of access to improved sanitation services and to reduce wastewater pollution in selected areas of Guayaquil. This loan agreement is guaranteed by the Republic acting through the MEF.

On December 11, 2018, the Republic and the IDB entered into a U.S.$100 million loan agreement to be disbursed in two installments in two years, with a final amortization date of October 15, 2038, to finance a program of reforms in Ecuador promoting gender equality and equality for the disabled.

On December 12, 2018, the Republic and CAF entered into a U.S.$210 million loan agreement, with a term of 15 years and a 42-month grace period for the payment of the principal, to partially finance programs supporting the management of the Republic's fiscal policy and the sustainability of public finance, among other related goals.

On December 12, 2018, the Republic and the Export-Import Bank of China entered into a RMB485.7 million loan facility agreement, with a 240-month maturity period, a 60-month grace period and a 180-month repayment period, to finance the construction of infrastructure projects agreed with the joint venture China Road and Bridge Corporation & China National Electronics Import & Export Corporation on November 30, 2017.

On December 12, 2018, the Republic and the China Development Bank entered into a U.S.$675 million and RMB1,530 million facility agreement where each loan made under the facility must be repaid in 16 installments, each payable every three months. On December 28, 2018, an amount of U.S.$450 million was disbursed to the Republic and on January 14, 2019 an additional amount of U.S.$225 million was disbursed to the Republic.

On January 31, 2019, the Republic issued U.S.$1,000 million of 2029 Notes (as defined herein) with a coupon of 10.750% at 100% of the purchase price.

On March 12, 2019, the Republic entered into a U.S.$50 million loan facility with the IDB, with a final amortization date of November 15, 2043, to finance a program aimed at improving the quality of public services for child development in Ecuador.

On March 13, 2019, the Republic received from the IMF an initial disbursement of U.S.$652 million under the 2019 EFF (as defined herein).

On April 1, 2019, the Republic entered into a U.S.$192 million loan facility with CAF, with a term of 18 years and a grace period of 66 months for the payment of principal, to partially finance projects relating to the maintenance of 1,183.9 kilometers of roads in Ecuador.

On April 10, 2019, the Republic entered into a U.S.$50 million loan facility with the IDB, with a final amortization date of November 15, 2043, to finance a program aimed at increasing private participation in public investments in infrastructure and public services in Ecuador.

On May 24, 2019, the Republic and CAF entered into a U.S.$300 million loan agreement, with a term of 15 years and a 42-month grace period for the payment of the principal, to finance programs and projects in the logistics sector.

On May 24, 2019, the Republic entered into a U.S.$500 million loan agreement with the IDB with a final amortization date of May 24, 2026 in order to support macroeconomic and fiscal stability, strengthen the institutional framework of the Central Bank, and provide funds for social expenditure for the most vulnerable segments of the population.

On May 28, 2019, the Republic and CAF entered into a U.S.$100 million loan agreement, with a term of 16 years and a 66-month grace period for the payment of the principal, to partially finance the Environmental Sanitation for Community Development Program.

On June 17, 2019, the Republic reopened its 2029 Notes and issued an additional U.S.$1.1 billion of 2029 Notes at a price of 110.746%. The Republic applied the proceeds of the reopened 2029 Notes towards the repurchase of U.S.$1,175,370,000 principal amount of its notes due 2020 by means of a tender offer that settled on June 18, 2019.

On June 17, 2019, the Republic and the IBRD entered into a U.S.$500 million loan agreement maturing June 1, 2049, with proceeds used to promote government efficiency, remove barriers to private sector development and provide funds for social expenditure for the most vulnerable segments of the population.

On July 2, 2019, the Republic received from the IMF a second disbursement of U.S.$251 million under the IMF's EFF.

On July 3, 2019, the Republic and the IDB entered into a U.S.$150 million loan agreement maturing November 15, 2042, with the goal of providing support to the Republic's plan to diversify its energy assets.

On July 12, 2019, the Republic and the IDB entered into a U.S.$93.9 million loan agreement maturing June 15, 2044, with the goal of promoting housing to poor and vulnerable communities under the Housing for All Program.

On July 22, 2019, the Republic and the IBRD entered into a U.S.$350 million loan agreement maturing March 15, 2049, with the goal of improving equity, integration and sustainability of social programs and providing technical assistance for capacity building, monitoring and evaluating social programs.

On July 23, 2019, the Republic and the IDB entered into a U.S.$300 million loan agreement maturing April 15, 2039, with the goal of supporting the Government's plan for fiscal stability to facilitate sustainable growth and key contributions to social development.

On July 23, 2019, the *Empresa Pública Metropolitana de Agua Potable y Saneamiento de Quito* (Metropolitan Public Company of Drinking Water and Sanitation of Quito) and the IDB entered into a U.S.$87.1 million loan agreement with a final principal amortization date of July 23, 2043, with the goal of providing financial support for the maintenance of Quito's sewage and potable water systems. This loan agreement is guaranteed by the Republic acting through the MEF.

On August 6, 2019, the Republic reopened its 2023 Notes and 2026 Notes and issued an additional U.S.$610,359,000 of its 2023 Notes at a price of 107.291%, and U.S.$611,870,000 of its 2026 Notes at a price of 107.026%.

On August 13, 2019, the CFN and CAF entered into a U.S.$50 million loan agreement to be repaid in 15 years, with the goal of supporting the *Progresar* program of the CFN, which seeks to incentivize the diversification of Ecuador's economy. This loan agreement is guaranteed by the Republic acting through the MEF.

On August 28, 2019, the Republic and the IDB entered into a U.S.$12 million loan agreement maturing May 15, 2044 to support further investment in Ecuador.

On August 29, 2019, the *Ente Municipal de Regulación y Control del Agua Potable de Guayaquil* (Municipal Entity for the Regulation and Control of Drinking Water in Guayaquil) and CAF entered into a U.S.$84 million credit facility agreement maturing July 31, 2039 to support the improvement of sanitation in Guayaquil. This facility agreement is guaranteed by the Republic acting through the MEF.

On September 4, 2019, the Republic and the IDB entered into a U.S.$100 million loan agreement maturing October 15, 2043, with the goal of supporting the modernization and renovation of the Ecuadorian electric system.

On September 9, 2019, the Republic and the IDB entered into a U.S.$40.08 million loan agreement maturing December 15, 2043, with the goal of supporting people with disabilities.

On September 27, 2019, the Republic issued U.S.$600 million of its 2025 Notes (as defined herein) with a coupon of 7.875% at 100% of the purchase price and U.S.$1,400 million of its 2030 Notes (as defined herein) with a coupon of 9.500% at 100% of the purchase price.

On October 4, 2019, the Republic and the IDB entered into a U.S.$43 million loan agreement maturing July 15, 2044, with the goal of supporting the Financial Management Modernization Program.

On November 4, 2019, the Republic and The Export-Import Bank of China entered into a RMB 390 million concessional loan agreement and a RMB 734 million concessional loan agreement, each with a term of twenty years.

On November 18, 2019, the Republic and the IDB entered into a U.S.$75 million loan agreement maturing September 15, 2044, with the goal of supporting the State-owned Enterprise Reform Support Program.

On November 18, 2019, the Republic and CAF entered into a 15-year U.S.$203 million loan agreement, as amended on November 27, 2019, with the goal of supporting Ecuador's Urban Plan and Habitat Policy Program.

On November 22, 2019, the Republic and the AFD entered into an U.S.$80 million credit facility agreement maturing on July 31, 2039, with the goal of supporting fully-subsidized social housing and other components of the Housing for All Program.

On December 10, 2019, the Republic and the AFD entered into a U.S.$150 million credit facility agreement maturing on January 31, 2040, with the goal of supporting policies targeting climate change.

On November 29, 2019, BanEcuador B.P. and CAF entered into a U.S.$40 million loan agreement, to be repaid in 15 years, to finance small and medium-sized producers of cocoa and palm and the institutional strengthening of BanEcuador. The Republic entered into a guarantee agreement in connection with this loan agreement.

On December 20, 2019, the *Empresa Pública Municipal de Telecomunicaciones, Agua Potable, Alcantarillado y Saneamiento de Cuenca* (Municipal Public Company for Telecommunications, Drinking Water, Sewerage and Sanitation of Cuenca) and CAF entered into a U.S.$34.12 million loan agreement, to be repaid in 18 years, to partially finance the Construction Project of the Guangarcucho Wastewater Treatment Plant. The Republic entered into a guarantee agreement in connection with this loan agreement.

On December 23, 2019, the *Honorable Gobierno Provincial de Tungurahua*, *Ecuador* and *Kreditanstalt für Wiederaufbau, Frankfurt am Main* ("KfW") entered into a EUR19.0 million loan agreement, to be repaid by December 30, 2049, to finance investments in the strengthening of irrigation systems as well as other measures for the protection of water resources of the Province of Tungurahua, Ecuador, as well as certain consulting services. The Republic entered into a guarantee agreement in connection with this loan agreement.

On December 19, 2019, the Republic received from the IMF a disbursement of approximately U.S.$498.4 million under the IMF's EFF.

On January 28, 2020, the Republic entered into a U.S.$70 million loan agreement with Japan International Cooperation Agency to finance a program for the promotion of the energy matrix transition and sustainable economic development which includes the expansion of access to renewable energy, the stabilization of the energy supply and promotion of measures towards energy efficiency. The repayment of the loan by amortized payments will begin on January 10, 2027 and, thereafter, payments are due on each January 10 and July 10 until January 10, 2045.

On January 30, 2020, the Republic issued U.S.$400 million of its 2035 Notes (as defined herein), with a partial guarantee by the IDB, with a coupon of 7.25% at 100% of the purchase price.

On February 24, 2020, the Municipal Autonomous Decentralized Government of the Portoviejo Canton entered into a U.S.$27.5 million loan agreement with the IDB to finance the Portoviejo Canton program related to drinking water and sewage. The repayment period begins on August 24, 2025 and, thereafter, amortized payments are due on each February 24

and August 24 until February 24, 2045. The Republic entered into a guaranty agreement on February 24, 2020 pursuant to which the Republic provided a sovereign guaranty for the Portoviejo agreement.

On April 3, 2020, the Republic entered into a U.S.$300 million amendment to the loan agreement dated June 16, 2015 with the IDB to help minimize the impact that a severe or catastrophic natural disaster could have on the public finances of the Republic. The loan is a contingent loan with the funds being made available to the Republic for 5 years starting from the date of the agreement. If the Republic draws on the commitment, the sum will be amortized until the final amortization date of April 2045. The first payment due on the drawn commitment would occur 66 months after the draw-down date with semi-annual payments made until the Final Amortization Date. This credit is contingent. As of September 30, 2024, U.S.$ 100 million of this loan had been drawn down but the remainder is available for natural disasters.

On April 5, 2020, the Republic entered into a U.S.$20 million loan agreement with the IBRD to finance the Republic's COVID-19 Emergency Response Project. The repayment period begins on September 15, 2031 and, thereafter, principal payments are due on each March 15 and September 15 until March 15, 2048.

On April 8, 2020, the Republic launched a consent solicitation to defer, until August 2020, payments of interest falling due between March 27, 2020 and July 15, 2020 on its ten series of outstanding Notes due 2022, 2023, 2024, 2025, 2026, June 2027, October 2027, 2028, 2029 and 2030 (the "Existing Republic Securities"). Holders of more than 91% of the aggregate principal amount of the Existing Republic Securities (not including the 2024 notes), representing approximately U.S.$17 billion in aggregate principal amount, and holders of more than 82% of the aggregate principal amount of the 2024 Notes, representing approximately U.S.$2 billion, provided their consent in the consent solicitation. The interest deferral provided the Republic with necessary relief for the economy to recover from the COVID-19 health crisis and the significant decrease in the price of oil.

On May 2, 2020, the IMF Executive Board approved the Republic's request for emergency financial assistance under the IMF's Rapid Financing Instrument for approximately U.S.$643.1 million in order to support Ecuador's balance of payments and its most affected sectors, including the healthcare system and social protection. See "*IMF's Extended Fund Facility and Rapid Financing Instrument.*"

On May 5, 2020, the Republic entered into a U.S.$350 million loan agreement with CAF to mitigate the economic contractions caused by COVID-19 and to finance budget appropriations of the Republic. The repayment period begins on May 5, 2026 with payments due every six months thereafter until May 5, 2040.

On May 9, 2020, the Republic entered into U.S.$506 million financing agreement with the IBRD to finance programs related to the Republic's inclusive and sustainable growth development policy, including (i) responding to the COVID-19 pandemic, (ii) removing barriers to private sector development and supporting economic recovery and (iii) promoting public sector efficiency and fiscal sustainability. The financing consists of a U.S.$500 million loan and a U.S.$6 million concessional contribution. The repayment period begins on November 1, 2031 and, thereafter, principal payments are due on each May 1 and November 1 until May 1, 2048.

On June 5, 2020, the Republic entered into a U.S.$250 million loan agreement with the IDB to finance the provision of health and social protection services during the COVID-19 pandemic. The repayment period begins on May 15, 2026 and, thereafter, payments are due each May 15 and November 15 until May 15, 2045.

On June 10, 2020, the Republic entered into a U.S.$280 million loan agreement with the IDB to support the climate change objectives of the Republic and to contribute to the consolidation of the Republic's fiscal and external accounts. The repayment period begins on May 15, 2026 and, thereafter, payments are due each May 15 and November 15 until the May 15, 2040.

On July 16, 2020, *Corporación de Finanzas Populares y Solidarias* entered into a U.S.$93.8 million loan agreement, with a term of 25 years including a grace period of 5.5 years, with the IDB in respect of the global credit programme for the defense of the productive framework and employment.

On July 23, 2020, the Republic entered into a U.S.$150 million loan agreement, with a term of 15 years including a grace period of 2 years, with CAF to support programs aimed at reducing chronic child malnutrition in the Republic.

On August 31, 2020, the Republic issued the New Republic Securities (as defined herein) due 2030, 2035 and 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

On September 16, 2020, the Republic entered into a U.S.$50 million loan agreement, with a term of 25 years including a grace period of 5 years, with the IDB, under its 'Migration Initiative' to strengthen the Republic's social services for migrant communities.

On September 30, 2020, the Republic entered into the 2020 EFF (as defined herein) totaling SDR4,615 million (approximately U.S.$6.5 billion) with the IMF in response to the COVID-19 pandemic and with a view to stabilizing the economy. See "*IMF's Extended Fund Facility and Rapid Financing Instrument.*"

On November 26, 2020, the Republic entered into a U.S.$500 million loan agreement, with a term of 11 years including a grace period of 4 years, with the IBRD for an inclusive and sustainable growth development policy loan.

On November 30, 2020, the Autonomous Decentralized Government of the Canton Portoviejo entered into a U.S.$59.8 million financing agreement, with a term of 19 years including a grace period of 4 years, with the European Investment Bank to finance drinking water, sanitation and sewage systems in Canton Portoviejo.

On December 4, 2020, the Republic entered into a U.S.$138.2 million loan agreement, with a term of 15 years including a grace period of 2 years, with CAF to fund programs relating to the *Programa Sectorial de Enfoque Amplio de Apoyo a la Agenda Nacional de Conectividad*.

On December 22, 2020, the Republic entered into a U.S.$78.4 million loan agreement, with a term of 25 years including a grace period of 5.4 years, with the IDB to finance a sustainable subsoil resources management program and associated infrastructure.

On March 22, 2021, the Republic entered into a U.S.$200 million loan agreement, with a term of 18 years including a grace period of 7 years, with the IDB to finance initiatives that protect social spending and aid the recovery of employment.

On April 15, 2021, the Republic entered into a U.S.$20.5 million loan agreement, with a term of 30 years including a grace period of 10 years, with KfW Development Bank for Reconstruction to support the Republic's COVID-19 efforts.

On April 22, 2021, the Republic entered into a U.S.$40 million loan agreement, with a term of 27 years including a grace period of 11 years, with the IBRD to support the Territorial Economic Empowerment for the Indigenous, Afro-Ecuadorians and Montubian Peoples and Nationalities.

On April 26, 2021, the Republic entered into an additional U.S.$150 million financing agreement with the IBRD to purchase and distribute vaccines and support COVID-19 management in the Republic.

On June 2, 2021, the Republic entered into a U.S.$48 million loan agreement, with a term of 15 years including a grace period of 5 years, with CAF to partially finance the Canton Cuenca unity program.

On August 31, 2021, the Republic entered into a U.S.$200 million loan agreement, with a term of 15 years including a grace period of 2.5 years, with CAF to support programs aimed at reducing chronic child malnutrition in the Republic.

On October 28, 2021, the Republic entered into a U.S.$300 million loan agreement, with a term of 23 years including a grace period of 7.5 years, with the IDB to provide support for vulnerable people affected by the COVID-19 pandemic.

On December 6, 2021, the Republic entered into a U.S.$500 million loan agreement, with a term of 7 years including a grace period of 3 years, with the IDB to establish an emergency program for macroeconomic sustainability and social protection.

On December 7, 2021, the Republic entered into a U.S.$100 million financing agreement, with a term of 10 years including a grace period of 2.5 years, with CAF to promote a financial inclusion program through savings and credit cooperatives with a focus on gender and green businesses.

On December 7, 2021, the Republic entered into a U.S.$75 million loan agreement, with a term of 20 years including a grace period of 3 years, with CAF to establish a support program aimed at strengthening health and sanitation systems in the Republic in response to COVID-19.

On December 7, 2021, the Republic entered into a U.S.$250 million loan agreement, with a term of 20 years including a grace period of 6 years, with CAF to fund the program for the reactivation of production, protection, social and sustainability of public finances in 2021 to 2025.

On January 10, 2022, the Republic entered into a U.S.$100 million loan agreement, with a term of 19 years including a grace period of 5 years, with the European Investment Bank to fund and promote the management program of the MEF related to drinking water and sanitation environmental finance.

On February 24, 2022, the Republic entered into a 16-year U.S.$700 million loan agreement with the IBRD related to the green and resilient recovery development policy.

On March 28, 2022, the Autonomous Decentralized Government of the Canton Portoviejo entered into a U.S.$17 million loan agreement, with a term of 25 years, with the *Instituto de Crédito Oficial* of Spain to finance the drinking water, sewage and sanitation systems of the Canton Portoviejo.

On May 25, 2022, the Autonomous Decentralized Government of the Canton Guayaquil entered into a further U.S.$49 million loan agreement maturing on May 25, 2032, with CAF to finance road works and a drinking water program in the densely populated areas of Guayaquil.

On June 21, 2022, the Republic entered into a U.S.$250 million loan agreement, with a term of 18 years, with the IDB to finance initiatives that protect social spending and aid the recovery of employment.

On September 15, 2022, the Republic entered into a U.S.$22.8 million loan agreement, with a term of 31 years, with the International Fund for Agricultural Development for a sustainable development project in rural territories.

In September 2022, the Republic announced that it had reached agreements with the Export-Import Bank of China and the China Development Bank on the reprofiling of U.S.$3.2 billion commercial credits. These transactions were a follow-up to the reprofiling of the Republic's U.S.$17 billion in 2020, and covered U.S.$1.4 billion of debt held by the China Development Bank and U.S.$1.8 billion of debt held by the Export-Import Bank of China. Through these reprofiling agreements, the Republic managed to: (1) double the maturity of outstanding instruments; (2) reduce the applicable interest rates; (3) suspend all amortizations on the Export-Import Bank of China's commercial facilities for a six-month period; and (4) smooth out the profile of oil exports to CNPC under the oil-backed debt contracts. Overall, these transactions resulted in significant debt service savings for the Republic amounting to approximately U.S.$1.4 billion through 2025.

On October 28, 2022, the Republic entered into a JPY 23 billion loan agreement, with a term of 15 years, with the Japan International Cooperation Agency for a COVID-19 crisis response emergency support loan.

On October 31, 2022, the Republic entered into a U.S.$80 million loan agreement, with a term of 17 years, with the IBRD for the strengthening of the national statistical system in Ecuador.

On November 25, 2022, the Republic entered into a U.S.$50 million loan agreement, with a term of 20 years, with the AFD to promote the development of green jobs and the reduction of gender inequalities in the workplace.

On November 25, 2022, the Republic entered into a U.S.$100 million loan agreement, with a term of 20 years, with the AFD to promote the bioeconomy.

On December 13, 2022, the Republic entered into a U.S.$400 million loan agreement, with a term of 20 years, with the IDB related to development and economic recovery in Ecuador.

On December 16, 2022, the Republic entered into a U.S.$100 million loan agreement, with a term of 14 years, with the IBRD in respect of additional financing related to the COVID-19 emergency response and vaccination project.

On December 19, 2022, the Republic entered into a U.S.$500 million loan agreement, with a term of 20 years, with the IBRD for additional financing in respect of the green and resilient recovery development policy.

On December 23, 2022, the Autonomous Decentralized Government of La Libertad entered into a U.S.$30 million loan agreement, with a term of 20 years, with CAF in relation to urban infrastructure programs.

In December 2022, Ecuador successfully concluded the 2020 EFF, under which the IMF disbursed approximately U.S.$6.5 billion since its approval in September 2020.

On January 10, 2023, the Republic and the AFD entered into a 20-year U.S.$30 million loan agreement to strengthen Ecuador's agricultural information system by creating a national registry of producers.

On January 23, 2023, the Republic and the IDB entered into two loan agreements, for a total of U.S.$84 million, with respective terms of 22 years and 5 months and 24 years and 9 months, to be used for a tax and customs administration improvement program.

On March 13, 2023, the *Empresa Pública Metropolitana de Agua Potable y Saneamiento de Quito* (Metropolitan Public Company of Drinking Water and Sanitation of Quito) and the Official Credit Institute entered into a 25-year U.S.$40 million loan agreement to improve the potable water service in the metropolitan district of Quito and increase its wastewater treatment capacity.

On April 13, 2023, the Republic and the IBRD entered into a U.S.$200 million loan agreement, with a term of 17 years and 6 months, in connection with the *Proyecto Red de Protección Social* (Social Protection Network Project) to improve the equity, integration and sustainability of certain selected programs within the Social Protection Network Project.

On April 14, 2023, the CFN and the IDB entered into a 24-year U.S.$300 million loan agreement to implement *Programa Crecer* (Growth Program), which aims to support the economic recovery of micro, small and medium enterprises ("MSMEs") in Ecuador, by expanding the access to credit for Ecuadorian MSMEs through the CFN's second-tier financial instruments.

On April 25, 2023, the Republic and the IDB entered into a 20-year U.S.$85 million loan agreement to strengthen environmental sustainability in Ecuador, support the proper management of natural capital and improve the organization and operation of public financing for environmental and financial sustainability.

On May 4, 2023, CONAFIPS and the Asian Infrastructure Investment Bank entered into a U.S.$50 million loan agreement, with a term of 8 years and 9 months, to enhance CFN's institutional capacity, develop and improve financial products to promote MSMEs' access to financing, including a credit line negotiated by CFN for reloans to MSMEs and project management, and to alleviate MSMEs' liquidity constraints as a result of the economic crisis induced by COVID-19.

On May 9, 2023, the Republic swapped U.S.$1.628 billion of its then-existing international bonds for a new U.S.$656 million impact loan arranged by Credit Suisse. This new loan, set to mature in 2041 with a 7-year grace period on principal repayments, was backed by U.S.$656 million in political risk insurance from the U.S. International Development Finance Corporation and an U.S.$85 million guarantee from the IADB. In return for the substantial debt relief, which is expected to save Ecuador over U.S.$1.126 billion in lifetime debt service costs, Ecuador committed to invest U.S.$12.05 million annually in marine conservation efforts for the Galápagos Islands and contribute an average of U.S.$5.41 million per year to the newly established Galapagos Life Fund endowment. This financial mechanism is projected to generate U.S.$323 million for marine conservation in the Galápagos over the next 18.5 years, supporting the Galapagos National Park Service and a new 60,000 km^2 protected area called the *Reserva Marina Hermandad* (the Hermandad Marine Reserve), located within the exclusive economic insular zone adjacent to the existing Galápagos Marine Reserve. By 2041, the Galapagos Life Fund endowment is expected to grow to U.S.$227 million, ensuring long-term funding for critical conservation efforts in the region.

On May 15, 2023, the Republic and the IDB entered into a U.S.$9.5 million loan agreement, with a term of 24 years and 2 months, to improve the Constitutional Court of Ecuador's capacity to protect constitutional rights through the implementation of various management strategies and tools.

On May 24, 2023, CAF and CONAFIPS entered into a 10-year U.S.$75 million loan agreement to develop the social and popular economy in Ecuador by allowing the grant of microcredits to individual, family and business productive units

through savings and credit cooperatives. Of the U.S.$75 million, U.S.$72 million is to be allocated to financial inclusion, with a focus on gender operations and green businesses, while the remaining U.S.$3 million is intended to strengthen the *Fondo de Garantía para Operaciones de Crédito de la Economía popular y Solidaria* (Guarantee Fund for Credit Operations of the Popular and Solidarity Economy).

On July 3, 2023, the Republic and the IDB entered into a 24-year U.S.$42 million loan agreement in connection with the Ministry of Public Health's program *Ecuador Crece sin Desnutrición Infantil* (Ecuador Grows up Without Child Malnutrition) to reinforce delivery of health benefits to pregnant women and children under two years of age.

On July 6, 2023, the Autonomous Decentralized Government of Samborondón and CAF entered into a 10-year U.S.$26.5 loan agreement to finance the *Programa Integral de Infraestructura de Servicios para el Cantón Samborondón* (Program of Infrastructure Services for the Samborondón Canton), which seeks to guarantee the future supply of potable water in the Cantón Samborondón.

On July 21, 2023, the *Escuela Superior Politécnica del Litoral* ("ESPOL") and the IDB entered into a U.S.$40 loan agreement, with a term of 24 years and 11 months, to increase labor and business productivity in the Littoral.

On July 28, 2023, the Republic and the IDB entered into a 20-year U.S.$150 million and a 15-year U.S.$20.2 million loan agreement, in connection with two key projects for Ecuador: *Nuevo Modelo Arquitectónico de Infraestructura Educativa* (New Architectural Model of Educational Infrastructure) and *Programa Anual de Inversión Educativa 2023-2025* (Annual Educational Investment Program 2023-2025). These programs aim to modernize Ecuador's education system and infrastructure.

On August 7, 2023, the Republic and CAF entered into a 20-year U.S.$117.5 million loan agreement in connection with Ecuador's *Programa para la Ejecución del Plan de Inversiones de Salud Pública* (Program for the Execution of the Public Health Investment Plan). This loan will be utilized to implement a comprehensive health care model for children, pregnant and lactating mothers, adolescents, young people and vulnerable populations.

On August 18, 2023, the Republic and CAF entered into two loans agreements for a total of U.S.$500 million, with respective terms of 18 years and 1 month and 14 years and 1 month, to support Ecuador's reforms to accelerate a fair energy transition. The program will support policies to decarbonize the energy sector and promote non-conventional renewable energy sources, alternative ways to generate power, and energy efficiency, as well as demand management measures, regional integration, and electric mobility. It will also advance the energy transition plan for the Galapagos Islands, universal access to electricity, and steps to reduce gender and disability gaps in the electricity sector.

On August 22, 2023, the Republic and the IBRD entered into a U.S.$500 million loan agreement, with a term of 17 years and 3 months, to achieve inclusive, resilient and low-carbon development, by supporting reforms focusing on mitigating climate change with the potential to leverage a green and resilient economic recovery by promoting private investment, fostering greater energy efficiency, supporting the development of voluntary carbon offset mechanisms and encouraging sustainable forest management.

On September 12, 2023, the Republic and the IBRD entered into U.S.$150 million fixed-rate loan agreement, with a term of 11 years and 7 months, to support Ecuador's efforts to recover connectivity and improve infrastructure resilience and road safety in areas affected by natural hazards.

On September 15, 2023, the Republic and CAF entered into a 15-year U.S.$200 million loan agreement to implement the *Programa de Reforzamiento de Redes de Distribución Eléctrica para el Sector Acuícola* (Program for the Reinforcement of Electricity Distribution Networks for the Aquaculture Sector), which will allow fossil energy to be replaced by clean energy in the shrimp agro-industrial sector.

On September 29, 2023, the GAD of Choné and CAF entered into a 15-year U.S.$30 million loan agreement in connection with the *Programa de Desarrollo Sustentable en Infraestructura Urbana e Hidrosanitaria para combatir los efectos del Cambio Climático* (Sustainable Development Program in Urban and Hydrosanitary Infrastructure to combat the effects of Climate Change).

On October 2, 2023, the EDB and KfW entered into a 30-year U.S.$15 million loan agreement to strengthen the *Compromiso por el Empleo* (Commitment to Employment) program, which seeks to improve job placement and the quality of employment in the country.

On October 6, 2023, the Republic and the IDB entered into a U.S.$25 million loan agreement, with a term of 22 years and 1 month, to enhance urban mobility by improving public transportation systems, reducing traffic congestion, and promoting sustainable urban development.

On October 11, 2023, the CFN and the IBRD entered into a U.S.$300 million loan agreement, with a term of 19 years and 5 months, to further finance the project *Promoción del Acceso a la Financiación con Fines Productivos para las Mipymes* (Promoting Access to Financing for Productive Purposes for MSMEs). The new resources will be used to increase the number of loans, beneficiaries and impact on MSMEs, including those owned by women and to promote climate resilient MSMEs and the mobilization of private capital.

On November 16 and 28, 2023, the CELEC and the IDB entered into a 23-year U.S.$125 million and a 20-year U.S.$125 million loan agreement to finance a 500-kilovolt electrical interconnection line with Peru. This project is part of the broader initiative *Sistema de Interconexión Eléctrica Andina* (Andean Electrical Interconnection System), which aims to create a regional electricity market.

On December 13, 2023, the Republic and CAF entered into 7-year U.S.$75 million loan agreement to improve efficiency and transparency in the administration of public resources, as well as to strengthen Ecuador's fiscal sustainability.

On February 9, 2024, the Republic and the International Fund for Agricultural Development entered into a 20-year U.S.$20 million loan agreement in connection with the *Emprender* (Entrepreneur) project to strengthen the capacity of rural productive units in targeted areas.

On February 27, 2024, the Republic and the IBRD entered into a U.S.$100 million loan agreement, with a term of 16.5 years, to finance new housing, building on existing Government programs, and promote private sector construction of sustainable and universally accessible housing in urban and periurban areas. The project, which is expected to benefit approximately 20,000 families, will give priority to households headed by women, as well as to persons with severe and very severe disabilities to help them access formal housing and upgraded neighborhood infrastructure.

On March 1, 2024, the Republic and CAF entered into a 20-year U.S.$50 million loan agreement in connection with the "ENOS 2023-2024" program to support preventive actions against the impacts of the *El Niño*.

On March 15, 2024, the Republic and Canada entered into a 10-year U.S.$120 million loan agreement to support Ecuador's green energy transition, investments and access to renewable and clean energy and to help strengthening human rights in Ecuador by facilitating the inclusion of women, indigenous communities, and people with disabilities in the electricity sector.

On March 20, 2024, the Republic and the IDB entered into a 25-year U.S.$400 million loan agreement to finance the *Emergencias por Desastres Naturales y de Salud Pública* (Natural Disasters and Public Health Emergencies) program, to improve Ecuador's finances management in the face of a natural disaster or a public health emergency.

On April 23, 2024, the GAD Municipal de Cuenca and CAF entered into a 15-year U.S.$50 million loan agreement to support the *Cuenca se Transforma* (Cuenca Transforms Itself) program to improve the quality of life of Cuenca's citizens.

On April 30, 2024, CAF approved a 1-year U.S.$800 million short-term loan in favor of the Republic. The transaction was approved under CAF's Extraordinary Liquidity Financing instrument and aims to promote Ecuador's fiscal and macroeconomic stability, inclusive growth and protection of the most vulnerable.

On May 1, 2024, the Municipality of Santo Domingo and the Korean Export-Import Bank entered into a 40-year U.S.$45.4 million loan to expand Santo Domingo's sewerage system.

On June 4, 2024, the Republic and the IMF entered into the 48-month U.S.$4 billion 2024 EFF to support Ecuador's policies to stabilize the economy, safeguard dollarization, and lay the foundations for sustainable and inclusive growth.

On June 17, 2024, the Republic and the IDB entered into a U.S.$10 million loan agreement, with a term of 24 years and 5 months, to strengthen the multi-hazard national early warning system by strengthening the capacity to monitor threats and risk analysis associated with SAT and improving the communication of the alert to the communities and strengthening of their response capacity.

On July 1, 2024, the EDB and the IDB entered into a U.S.$120 million loan agreement, with a term of 23 years and 5 months, to expand and improve access to drinking water, sewage services and treatment of waste water and solid waste.

On July 1, 2024, the EDB and the IDB entered into a 25-year U.S.$80 million loan agreement to make transportation on the country's provincial road network more efficient and improve access to health and education services for small rural populations.

On July 29, 2024, the Republic and CAF entered into a 20-year U.S.$250 million loan agreement in connection with the *Programa de Empleo Juvenil, Género, Inclusión, Diversidad y Protección Social* (Youth Employment, Gender, Inclusion, Diversity and Social Protection Program) and with the aim of promoting youth employment, gender equality, inclusion, diversity and social protection through public policies that strengthen gender equality in the workplace and social protection mechanisms to support people in situations of greater vulnerability.

On July 29, 2024, the GAD of Manabí and CAF entered into a 15-year U.S.$43 million loan agreement for the road project connecting Guayas and Los Rios. In total, 14 cantons will be connected with this new infrastructure.

On July 30, 2024, the Republic and CAF entered into a 15-year U.S.$219 million loan agreement in connection with the *Infraestructura Logísitca, Fase I* (Logistics Infrastructure Program, Phase I) program, which includes seven important road works that will benefit the provinces of Azuay, Cañar, Carchi, Chimborazo and Santo Domingo de los Tsáchilas.

On July 31, 2024, the GAD of Municipal Portoviejo and CAF entered into a 15-year U.S.$50 million loan agreement in connection with the Integral Hydrosanitary Project - North Urban Zone of the Portoviejo Cantón, which will improve the quality of life of its inhabitants.

On August 19, 2024, the IDB and the CFN entered into two U.S.$8 million credit agreements, with respective terms of 20 and 25 years, to finance investment programs and projects within the framework of the Biobusiness Financing for a Sustainable Amazon in Ecuador.

On September 13, 2024, the Republic and the World Bank entered into a U.S.$100 million loan agreement to support rural road improvement in the Guayas Province of Ecuador by financing the design, management and implementation of works to rehabilitate seven roads and to construct and improve eight bridges in rural areas.

On December 10, 2024, the Republic swapped U.S.$1,527.49 million of its then-existing international bonds for a new U.S.$1,000 million impact loan with the support of the U.S. International Development Finance Corporation, the IADB, The Nature Conservancy and BofA Securities, Inc. The transaction also generated approximately U.S.$460 million to support the Amazon Biocorridor Program for the conservation of terrestrial and freshwater ecosystems in the Ecuadorian Amazon. The combination of the U.S. International Development Finance Corporation's political risk insurance and the Inter-American Development Bank's liquidity guaranty provided credit enhancements intended to support a comprehensive conservation program co-designed with Indigenous people and local communities. The debt conversion generated U.S.$400 million (U.S.$23.5 million per year over 17 years) plus an estimated U.S.$60 million in endowment returns over time, of the U.S.$23.5 million per year, U.S.$19.0 million funded the Amazon Biocorridor Program annually (U.S.$323 million in aggregate), including The Nature Conservancy's technical support, and U.S.$4.5 million annually (U.S.$76.5 million in aggregate) capitalized an endowment expected to generate approximately U.S.$60 million in additional returns and reach a projected end value of U.S.$137 million by 2041. Most of the conservation funding was expected to be disbursed through grants from a new independent conservation trust fund, Fondo del Biocorredor Amazónico, to be run by a local board including representatives from the government, indigenous groups, local communities, academia and the financial, sustainable development and production sectors as well as The Nature Conservancy, and intended to follow international standards for conservation trust funds, including annual public reporting and independent audit reports. The Amazon Biocorridor Program aims to improve the management of 4.6 million hectares of existing protected areas, protect an additional 1.8 million hectares of forests and wetlands, and protect 18,000 kilometers of rivers, supported by a framework of social and environmental safeguards.

On December 16, 2024, the Republic and AFD entered into a 20-year U.S.$100 million Credit Facility Agreement to support the "*Programa de Política Pública sobre la protección, manejo integrado y el uso sostenible de los ecosistemas marinos-costeros en el Ecuador*" (Program on Public Policy for the Protection and Sustainable Integrated Management of Marine-Coastal Ecosystems in Ecuador).

On March 11, 2025, the Republic and AFD entered into a U.S.$26.7 million financing with a final maturity of November 15, 2036, to support the project "*Mejoramiento de la gestión de residuos sólidos de Cuenca"* (Cuenca Solid Waste Management Improvement Project).

On March 18, 2025, the Republic and the IDB entered into a U.S.$11.9 million loan maturing on March 15, 2050, for a contingent emergency response program.

On March 29, 2025, the Republic and the IDB signed a 24-year U.S.$150 million loan to finance the "Proyecto de Integración Fronteriza – Eje Vial No. 4 Carretera Bellavista-Zumba-La Balsa" (Border Integration Project – Corridor IV (Bellavista–Zumba–La Balsa Highway) in the province of Zamora Chinchipe.

On April 3, 2025, the Republic and the World Bank entered into a U.S.$100 million loan maturing on September 1, 2040, to finance the *Proyecto de Fortalecimiento de la Resiliencia de las Escuelas del Ecuador*" (*Strengthening the Resilience* of Ecuadorian Schools Project").

On May 21, 2025, the Republic and the IDB entered into a U.S.$70 million operation under the CCLIP framework to finance housing and microbusiness needs of the Popular and Solidarity Economy (EPS).

On May 29, 2025, the Republic and CAF executed a one-year U.S.$416 million extraordinary short-term liquidity financing facility.

On June 16, 2025, the Republic and the IDB signed a U.S.$73.2 million financing maturing in 2050 for the "*Programa de prevención y respuesta a la violencia y la criminalidad en el Ecuador (PREVIC)*" (Ecuador Violence and Crime Prevention and Response Program (PREVIC)).

On June 16, 2025, the Republic and the IDB entered into a second PREVIC financing for U.S.$76.8 million, also maturing on June 15, 2050.

On June 26, 2025, the Republic and the IDB signed a U.S.$400 million loan under the FI-PREVIC program, with final maturity on June 15, 2045.

On June 30, 2025, the Republic and the World Bank executed a U.S.$100 million freely available financing facility maturing on August 15, 2041.

On August 7, 2025, the Republic and CAF entered into a U.S.$250 million loan maturing in 2045 to support the "*Programa de Transición para la Transformación Productiva y Sostenible del Agro Ecuatoriano*" (Program to Support the Productive and Sustainable Transformation of Ecuadorian Agriculture).

On October 31, 2025, the Republic and the IDB signed a U.S.$2.4 million operation under the CCLIP for sustainable electric transport (EC-O0009), maturing on October 15, 2047.

On October 31, 2025, the Republic and the IDB executed a second individual operation of U.S.$5.6 million under the electric mobility CCLIP (EC-O0009), maturing in 2047.

On October 31, 2025, the Republic and the IDB entered into a third U.S.$7.6 million financing under the electric mobility CCLIP (EC-O0009), maturing on October 15, 2047.

On October 31, 2025, the Republic and the IDB completed a fourth U.S.$17.4 million financing under the electric mobility CCLIP (EC-O0009), with maturity in 2047.

On November 10, 2025, the Republic and CAF signed a U.S.$32.8 million loan maturing in 2040 for the "*Programa Integral de Infraestructura Sostenible de Riego y Vialidad de la Provincia de Los Ríos*" (Programa para Fortalecer la Estabilidad Macrofiscal y Apoyar el Crecimiento Económico en el Ecuador).

On November 26, 2025, Ecuador and the World Bank entered into a U.S.$900 million Development Policy Loan maturing on June 26, 2053 to support the "*Programa para Fortalecer la Estabilidad Macroeconómica y Promover el Crecimiento en el Ecuador"* (First Job Creation and Fiscal Sustainability) program.

On November 27, 2025, the Republic and AFD signed a 20-year U.S.$40 million loan to finance the "*Programa de Agua Segura y Saneamiento (PASSA)*" (Program for Safe Water and Sanitation (PASSA)) for Guayaquil.

On November 25, 2025, the Republic and CAF executed a U.S.$28 million loan maturing in 2040 to finance the construction of an aqueduct to increase raw-water supply in the canton of Montecristi.

On November 9, 2025, the Republic and the European Investment Bank entered into a U.S.$100 million loan maturing in 2045 for the "*Programa para el Acceso Sostenible al Agua y Saneamiento (PRASAS-BEI)*" (Sustainable Water and Sanitation Access Program (PRASAS-EIB)).

On December 12, 2025, the Republic and the IDB signed a U.S.$200 million loan maturing in 2045 for the "*Programa para Mejorar la Estabilidad Macro Fiscal y Contribuir a Impulsar el Crecimiento en Ecuador*" (Program to Strengthen Macrofiscal Stability and Support Economic Growth in Ecuador).

On December 18, 2025, the Republic and KfW entered into a EUR 48.5 million financing maturing on December 30, 2045 for the "*Movilidad Urbana Sostenible II y Movilidad Urbana Sostenible III*" (Improvement of solid waste management in Cuenca) programs.

On December 26, 2025, the Republic entered into a U.S.$500 million thematic loan with Goldman Sachs International and Banco Santander S.A., with The Bank of New York Mellon acting as agent and with a partial IDB guarantee, to finance public investment programs under the "*Financiamiento de Vivienda Social en Ecuador II*" framework. The loan matures on September 15, 2038.

The following table sets forth the rates of interest applicable to the outstanding principal balance of the Republic's public external debt at the dates indicated:

Interest On Public Sector External Debt

	As of December 31, 2021		As of December 31, 2022		As of December 31, 2023[1]		As of December 31, 2024[1]		As of September 30, 2025[1]	
	(in millions of U.S.$, except percentages)									
Fixed and Floating Rate										
0-3%	21,379.79	46%	5,860.09	12.12%	4,573,26	9.56%	7,442.64	15.08%	6682.67234	13.55%
3-5%	18,908.15	41%	33,824.67	69.98%	18,691,53	39.09%	25,985.26	52.66%	26235.54619	53.20%
5-8%	5,346.80	11.49%	8,220.92	17.01%	23,167.99	48.45%	14,347.64	29.07%	15279.9527	30.99%
More than 8%	448.95	0.96%	74.02	0.15%	1,106.90	2.31%	1,571.75	3.19%	1114.065368	2.26%
Total	**46,534.02**	**100%**	**48,336.72**	**100%**	**47,815.67**	**100%**	**49,347.29**	**100%**	**49,312.24**	**100%**

Source: MEF, December 2021, 2022, 2023 and 2024, and September 2025 Public Debt Bulletins, https://www.finanzas_.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

Bilateral Debt

As of December 31, 2022, the three main bilateral lenders to Ecuador were the Export-Import Bank of China, the China Development Bank and the AFD, with debt levels of U.S.$2,223.2 million (44.7% of total bilateral debt), U.S.$1,410.39 million (28.4% of total bilateral debt) and U.S.$722.5 million (14.5% of total bilateral debt), respectively. As of December 31, 2022, total debt owed to bilateral sovereign entities was U.S.$4,971.31 million.

As of December 31, 2023, the three main bilateral lenders to Ecuador were the Export-Import Bank of China, the China Development Bank and the AFD with debt levels of U.S.$1,957.6 million (43.4% of total bilateral debt), U.S.$1,089.3

million (24.1% of total bilateral debt) and U.S.$728.35 million (16.1% of total bilateral debt), respectively. As of December 31, 2023, total debt owed to bilateral sovereign entities was U.S.$4,513.7 million.

As of December 31, 2024, the three main bilateral lenders to Ecuador were the Export-Import Bank of China, the China Development Bank and the AFD, with debt levels of U.S.$ 1.668,67 million (41.2% of total bilateral debt), U.S.$772.44 million (19.1% of total bilateral debt) and U.S.$820.41 million (20.2% of total bilateral debt), respectively. As of December 31, 2024, total debt owed to bilateral sovereign entities was U.S.$4,052,71 million.

As of September 30, 2025, the three main bilateral lenders to Ecuador were the Export-Import Bank of China, the China Development Bank and the AFD, with debt levels of U.S.$1.512,36 million (40.65% of total bilateral debt), U.S.$551,71 million (14.83% of total bilateral debt) and U.S.$865,93 million (23.3% of total bilateral debt), respectively. As of September 30, 2025, the total debt owed to bilateral sovereign entities was U.S.$3.720,74 million.

Total debt owed to multilateral institutions was U.S.$28,388.9 million, U.S.$25,418.8 million, U.S.$24,348.0 million and U.S.$21,432.07 million as of December 31, 2024, 2023 and 2022, respectively.

The following table lists current material bilateral and multilateral indebtedness by agreement and lender as of September 30, 2025:

Material Public External Debt

Creditor	Associate Rate Type	Currency	Date Issued	Maturity	Balance as of September 30, 2025
Multilateral					
Inter-American Development Bank.....	Fixed	U.S.$	1984-2025	2025-2055	5,668.95
Inter-American Development Bank.....	Variable	U.S.$	2005-2025	2025-2049	3,472.85
CAF	Variable	U.S.$	2006-2025	2025-2044	4,138.22
IMF	Variable	GRADED	2019-2024	2025-2034	9,063.39
Others [1]	Fixed Variable	DEG U S $	2003-2025	2025-2053	6,417.66
Total Multilateral Debt.....					**28,761.07**
Bilateral					
China	Fixed, Variable	RMB, U.S.$	2010-2019	2026-2039	2,064.07
Spain	Fixed	U.S.$	1994-2023	2025-2048	218.25
France	Fixed, Variable	Euro, U.S.$	1989-2023	2025-2042	909.76
Italy	Fixed	Euro	1995-2016	2025-2050	10.53
Japan	Fixed, Variable	Yen, U.S.$	1996-2022	2026-2045	216.95
Others [2] [3]	Fixed, Variable	DEG, Won, Pound, Chf	1986-2024	2012-2063	301.17
Total bilateral debt					**3,720.74**
Other debt [4].....					**16,830.43**
Total external debt.....					**49,312.24**

Source: Data from MEF, Monthly Public Debt Bulletins of September 2025 at https://wwwfinanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/ ; and MEF, Profile Maturities LP External Internal September 2025 https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva- metodologia/

(1) Other multilateral loans include loans with the International Bank for Reconstruction and Development and the International Fund for Agriculture Development.

(2) Includes amounts from loans from Paris Club members.

(3) Other bilateral lenders include South Korea, Germany, and the United States, among others.

(4) Other debt includes international bonds issued by the Republic and oil presales contracts and liabilities under intangible contractual rights.

Internal Debt.

The total consolidated internal debt of the public sector in Ecuador was U.S.$4,675.5 million as of December 31, 2024, compared to U.S.$5,017.8 million as of December 31, 2023 and U.S.$5,894.8 million as of December 31, 2022. The decrease of the total consolidated internal debt of the public sector between December 31, 2022 and December 31, 2024 was primarily the result of placement of bonds to the private sector.

The total consolidated internal debt of the public sector in Ecuador was U.S.$4,808.0 million as of September 30, 2025, compared to U.S.$3,984.1 million as of September 30, 2024. The increase in the total consolidated internal debt of the public sector between September 30, 2024 and September 30, 2025 was primarily the result of the placement of bonds to private sector.

The following table set forth information regarding Ecuador's consolidated internal debt of the public sector as of the dates indicated:

Consolidated Internal Debt

	As of December 31,				As of September 30,	
	2021	2022	2023	2024	2024	2025
			(in thousands U.S.$)			
Public Internal Debt						
Public Sector Internal Debt Securities	--	--	--	--	--	--
Private Sector Internal Debt Securities[1]	1,369,253.42	1,474,862.15	1,671,633.61	2,346,139.45	1,876,259.49	2,620,274.05
Subtotal of Public Debt Securities	**1,369,253.42**	**1,474,862.15**	**1,671,633.61**	**2,346,139.45**	**1,876,259.49**	**2,620,274.05**
Loan from Central Bank of Ecuador	--	--	--	--	--	--
Loan from Development Bank of Ecuador	--	--	--	--	--	--
Loans from Development Bank of Ecuador[2]	--	--	--	--	--	--
Payment Agreement IESS	--	--	--	--	--	--
Subtotal of Public Debt Loans	--	--	--	--	--	--
Central Bank of Ecuador Agreement	--	--	--	--	--	--
National Finance Corporation Agreement	--	--	--	--	--	--
Subtotal Public Debt Agreements	--	--	--	--	--	--
Unpaid Obligations in Closed Budgets	1,102,858.28	1,993,900.91	893,510.15	736,612.38	714,746.90	430,415.63
Subtotal of Unpaid Obligations in Closed Budgets	**1,102,858.28**	**1,993,900.91**	**893,510.15**	**736,612.38**	**714,746.90**	**430,415.63**
Subtotal of Public Institutions	**46,464.77**	**26,623.00**	**21,135.03**	**15,694.65**	**17378.99807**	**30,007.22**
Subtotal of Internal Public Debt	**2,518,576.47**	**3,495,386.06**	**2,586,278.79**	**3,098,446.48**	**2,608,385.39**	**3,080,696.91**
Treasury Certificates CETES	1,339,424.22	764,176.82	1,087,060.77	647,628.89	647,282.46	703,160.35
Treasury Notes	--	--	--	--	--	310,966.80
Liabilities Arising from Liquidity Agreements	129,195.73	111,920.97	374,018.66	198,325.20	238,039.49	178,468.06
Social Security[3]	18,775.05	5,902.72	14,509.44	631.43	44,317.17	18,617.73
Pending Payment Obligations for the Current Fiscal Year[4]	2,104,752.49	1,517,416.73	955,967.39	730,455.51	410,066.93	516,057.38
Subtotal of Other Obligations	**3,592,150.49**	**2,399,417.24**	**2,431,556.27**	**1,577,041.03**	**1,339,706.05**	**1,727,270.32**
Total Internal Debt	**6,110,726.96**	**5,894,803.30**	**5,017,835.06**	**4,675,487.51**	**3,948,091.44**	**4,807,967.22**

Source: Data from Ministry of Economy and Finance, Public Debt Bulletins for December 2021, December 2022, December 2023, December 2024, September 2024 and September 2025. https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

The following table set forth information regarding Ecuador's aggregated internal debt of the public sector as of the dates indicated:

Aggregated Internal Debt

	As of December 31,				As of September 30,	
	2021	2022	2023	2024	2024	2025
			(in thousands U.S.$)			
Public Internal Debt						
Public Sector Internal Debt Securities	13,615,739.74	14,026,081.98	14,360,957.49	14,604,099.87	13,643,580.42	17,325,940.47
Private Sector Internal Debt Securities[1]	1,369,253.42	1,474,862.15	1,671,633.61	2,346,139.45	1,876,259.49	2,620,274.05
Subtotal of Public Debt Securities	**14,984,993.16**	**15,500,944.12**	**16,032,591.10**	**16,950,239.32**	**15,519,839.91**	**19,946,214.52**
Loan from Central Bank of Ecuador	500,000.00	500,000.00	500,000.00	--	--	--
Loan from Development Bank of Ecuador	102,271.55	81,817.24	61,362.93	40,908.62	51,135.77	30,681.46
Loans from Development Bank of Ecuador[2]	1,475,914.09	1,610,128.54	1,691,374.14	1,623,934.63	1,605,799.29	1,643,917.81
Payment Agreement IESS	254,043.90	127,021.95	--	--	--	--
Subtotal of Public Debt Loans	**2,332,229.53**	**2,318,967.72**	**2,252,737.07**	**1,664,843.25**	**1,656,935.07**	**1,674,599.27**
Central Bank of Ecuador Agreement	--	--	--	2,899,339.11	2,899,339.11	2,721,232.85
National Finance Corporation Agreement	--	--	--	78,859.93	78,859.93	73,760.36
Subtotal Public Debt Agreements	--	--	--	**2,978,199.04**	**2,978,199.04**	**2,794,993.21**
Unpaid Obligations in Closed Budgets	1,102,858.28	1,993,900.91	1,886,748.71	3,478,503.12	3,018,367.18	2,660,192.36
Subtotal of Unpaid Obligations in Closed Budgets	**1,102,858.28**	**1,993,900.91**	**1,886,748.71**	**3,478,503.12**	**3,018,367.18**	**2,660,192.36**
Subtotal of Public Institutions	**668,805.44**	**1,143,233.15**	**1,575,109.99**	**3,478,503.12**	**3,307,683.75**	**1,077,714.43**
Subtotal of Internal Public Debt	**19,088,886.41**	**20,957,045.90**	**21,747,186.87**	**28,550,287.85**	**26,481,024.94**	**28,153,713.78**

	As of December 31,				As of September 30,	
	2021	2022	2023	2024	2024	2025
Treasury Certificates CETES	2,821,397.86	2,593,773.48	2,407,962.00	2,394,481.98	2,097,504.06	2,610,593.05
Treasury Notes	--	--	--	--	--	310,966.80
Liabilities Arising from Liquidity Agreements	2,040,053.15	2,068,724.78	3,655,757.33	2,874,356.39	3,088,084.94	2,806,643.95
Social Security[3]	18,775.05	5,902.72	14,509.44	631.43	44,317.17	18,617.73
Pending Payment Obligations for the Current Fiscal Year[4]	2,104,752.49	1,517,416.73	3,675,906.03	2,130,825.78	1,225,336.32	1,728,820.78
Subtotal of Other Obligations	**6,984,981.55**	**6,185,817.71**	**9,754,134.79**	**7,400,295.58**	**6,455,242.50**	**7,475,642.32**
Total Internal Debt	**26,073,867.95**	**27,142,863.62**	**31,501,321.67**	**35,950,583.43**	**32,936,267.44**	**35,629,356.10**

Source: Data from Ministry of Economy and Finance, Public Debt Bulletins for December 2021, December 2022, December 2023, December 2024, September 2024 and September 2025. https://www.finanzas.gob.ec/https-wwwdeuda-publica-nueva-metodologia/

The total aggregated internal debt of the public sector in Ecuador was U.S.$35,950.6 million as of December 31, 2024, compared to U.S.$31,501.3 million as of December 31, 2023 and U.S.$27,142.86 million as of December 31, 2022. The increase in the total aggregated internal debt of the public sector between December 31, 2022 and December 31, 2024 was primarily the result of higher issuance of domestic debt securities, increased treasury certificates (CETES), and higher pending payment obligations of the non-financial public sector and social security entities.

The total aggregated internal debt of the public sector in Ecuador was U.S.$ 35,629.35 million as of September 30, 2025, compared to U.S.$32,936.26 million as of September 30, 2024. The increase in the total aggregated internal debt of the public sector between September 30, 2024 and September 30, 2025 was primarily the result of higher short-term domestic financing, including increases in treasury certificates, liquidity agreements, and pending payment obligations for the current fiscal year.

As of September 30, 2025, approximately 55.98% of Ecuador's internal public indebtedness consisted of long-term originally issued dollar-denominated notes. Currently, all internal debt obligations are issued through the MEF. As of September 30, 2025, approximately 4.70% of Ecuador's internal public indebtedness consisted of debts of the Government with the IESS and the Ecuadorian Development Bank, as well as outstanding obligations of the Government (accrued but unpaid) to the public and private sectors that were already recorded in the closed budgets of the General State Budget for previous years.

As of September 30, 2025, the MEF's obligations with the Central Bank with respect to financial investments through long-term Government financing agreements amounted to U.S.$2,721.2 million.

As of September 30, 2025, the Republic had issued U.S.$2,921.6 million in short-term debt (i.e., with a maturity equal to or less than one year). Ecuador's medium-term and short-term obligations have generally been issued to finance development projects and to restructure or provide for revenue shortfalls in the Government's budget for a given year. Notes issued for development projects are generally privately held by entities contracted to undertake these development projects. Notes issued for budget restructuring, which generally have a maturity greater than one year, are placed on the Ecuadorian Stock Exchanges and are currently held by both public and private holders.

IMF'S EXTENDED FUND FACILITY AND RAPID FINANCING INSTRUMENT

2019 and 2020 EFF

On March 11, 2019, the Executive Board of the IMF approved a U.S.$4,200 million arrangement under the IMF's extended fund facility for Ecuador, enabling the disbursement of U.S.$652 million on March 13, 2019 (the "2019 EFF"). The arrangement provided for a 3% interest rate and a 10-year repayment plan (with a 4-year grace period). Under the terms of the IMF's 2019 EFF, further disbursements to the Republic were conditioned on the Government's implementation of its policy plans as outlined in its letter of intent, the implementation of which the IMF monitored and reviewed every three months on the basis of certain performance criteria, targets and benchmarks, including fiscal and monetary targets.

On June 28, 2019, the IMF's Executive Board completed their first review of Ecuador's economic performance under Ecuador's arrangement with the IMF under the 2019 EFF, which allowed Ecuador to draw U.S.$251 million from the 2019 EFF on July 2, 2019.

On December 11, 2019, the MEF and the General Manager of the Central Bank requested (i) completion of the second and third review of the arrangement under the IMF's 2019 EFF and the disbursement of the associated amount of approximately U.S.$498.4 million for budget support, and (ii) a waiver of non-observance of the performance criteria on net International Reserves given that the macroeconomic impact of the breach was minor, as well as certain modifications to program requirements reflected therein.

On December 19, 2019, the IMF's Executive Board concluded its combined second and third reviews of the Government's economic program supported under the 2019 EFF and approved the disbursement to the Republic of approximately U.S.$498.4 million.

On April 30, 2020, the MEF and the General Manager of the Central Bank presented the IMF with a letter of intent that, among other things, (i) described the unprecedented and negative economic and social effects that the COVID-19 pandemic had caused in Ecuador; (ii) notified the IMF that the 2019 EFF was cancelled with immediate effect; and (iii) requested urgent financial assistance under the IMF's Rapid Financing Instrument's ("RFI") with the aim of addressing urgent balance of payments and fiscal needs. On May 2, 2020, the IMF Executive Board approved Ecuador's request for emergency financial assistance under the RFI for approximately U.S.$643.1 million in order to support Ecuador's balance of payments and its most affected sectors, including the healthcare system and social protection.

In 2020, the Government worked with the IMF staff to define the structure of a successor program to the 2019 EFF, with the aim of bolstering the Republic's economic performance, strengthening the foundations of dollarization, and delivering broad based benefits for the population, with a special emphasis on the most vulnerable sectors. The Government reached Staff Level Agreement on August 28, 2020 and IMF Executive Board approval for a 27-month EFF totaling SDR4,615 million (approximately U.S.$6.5 billion, representing 661% of the Ecuadorian quota) in September 2020 (the "2020 EFF"). According to data published by the IMF in 2022, the IMF disbursed to Ecuador U.S.$4,007 million in 2020, U.S.$802 million in 2021 and U.S.$1,649 million in 2022 under the 2020 EFF. The 2020 EFF was fully disbursed by December 2022. As of July 31, 2024, the outstanding balance of the debt of Ecuador with the IMF amounts to approximately U.S.$8.6 billion.

Under the 2019 and 2020 EFFs, in May 2019, the Republic entered into two loans with CAF for U.S.$300 million and U.S.$100 million, respectively; on May 24, 2019, July 3, 2019, July 12, 2019 and July 23, 2019, the Republic entered into four loans with the IDB for U.S.$500 million, U.S.$150 million, U.S.$93.9 million and U.S.$300 million, respectively; and on June 17, 2019 and July 22, 2019, the Republic entered into two loans with the IBRD for U.S.$500 million and U.S.$350 million, respectively.

Galápagos Debt-For-Nature Exchange Transaction

In April 2023, the Debt and Financing Committee, through Resolution CDF-RES-2023-009 dated April 24, 2023, authorized a debt-for-nature exchange transaction structured under an external public debt liability-management framework, the objective of which was to refinance international bonds under more favorable financial conditions for the State, with the support of a partial guarantee from the IDB. The transaction was executed on May 9, 2023, and enabled the exchange of U.S.$1,628.76 million in nominal amount of international bonds for new financing in the amount of U.S.$656.20 million, resulting in an effective reduction of the outstanding debt stock of approximately U.S.$972.56 million.

The debt-for-nature exchange generated cumulative estimated savings in debt-service payments of U.S.$1,114.91 million over the life of the exchanged bonds, derived from lower repurchase prices, an improved maturity profile, and a reduction in financing costs as compared to the counterfactual scenario.

Amazon Biocorridor Social Bond

On December 10, 2024, the Republic swapped U.S.$1,527.49 million of its then-existing international bonds for a new U.S.$1,000 million impact loan with the support of the U.S. International Development Finance Corporation, the IADB, The Nature Conservancy and BofA Securities, Inc. The transaction also generated approximately U.S.$460 million to support the Amazon Biocorridor Program for the conservation of terrestrial and freshwater ecosystems in the Ecuadorian Amazon. The combination of the U.S. International Development Finance Corporation's political risk insurance and the Inter-American Development Bank's liquidity guaranty provided credit enhancements intended to support a comprehensive conservation program co-designed with Indigenous people and local communities. The debt conversion generated U.S.$400 million (U.S.$23.5 million per year over 17 years) plus an estimated U.S.$60 million in endowment returns over time, of the U.S.$23.5 million per year, U.S.$19.0 million funded the Amazon Biocorridor Program annually (U.S.$323 million in aggregate), including The Nature Conservancy's technical support, and U.S.$4.5 million annually (U.S.$76.5 million in aggregate) capitalized an endowment expected to generate approximately U.S.$60 million in additional returns and reach a projected end value of U.S.$137 million by 2041. Most of the conservation funding was expected to be disbursed through grants from a new independent conservation trust fund, Fondo del Biocorredor Amazónico, to be run by a local board including representatives from the government, indigenous groups, local communities, academia and the financial, sustainable development and production sectors as well as The Nature Conservancy, and intended to follow international standards for conservation trust funds, including annual public reporting and independent audit reports. The Amazon Biocorridor Program aims to improve the management of 4.6 million hectares of existing protected areas, protect an additional 1.8 million hectares of forests and wetlands, and protect 18,000 kilometers of rivers, supported by a framework of social and environmental safeguards.

2024 EFF

On May 15, 2024, the MEF and the General Manager of the Central Bank presented the IMF with a letter of intent outlining Ecuador's economic outlook and economic goals in connection with the request for a 48-month extended arrangement under the 2020 EFF in an amount equivalent to SDR3 billion (about U.S.$4 billion), or 430% of Ecuador's IMF quota, to be provided for budget support, with an initial purchase of SDR752.9 million (107.9% of quota) upon approval of the 2024 EFF arrangement.

The letter of intent outlined the Government's policy plans for the subsequent four years. Among other measures, the Government intends to:

- place the public debt ratio on a firmly downward trajectory, maintaining manageable gross financing needs, and respecting the expenditure growth rules and the debt limit of 40% of GDP by 2032 that are enshrined in the Public Planning and Finance Code;

- achieve a gradual medium-term fiscal consolidation to place public finances on a sustainable path, reducing the non-financial public sector operations overall deficit to 1% of the GDP in 2025 and reach an overall surplus of 0.5% of the GDP by the end of the program in 2028;

- commit to a financing strategy that relies on bilateral and multilateral sources in the near-term, while seeking to regain access to international capital markets as soon as possible, as market conditions allow, and gradually developing domestic financing sources; to that end, the Republic will pursue an active public debt management strategy with the goal of covering the public sector's financing needs at the lowest possible cost with a prudent level of risk;

- ensure that the burden of fiscal consolidation is not borne by the poor and vulnerable, and commit to prepare a plan to complete the social registry to cover all families in the lowest three deciles of the income distribution throughout the country;

- progress in establishing a revised mechanism to settle healthcare claims from IESS to bring legal predictability to the process of auditing and clearing verified obligations; in this regard, the Republic established an updated

agreement between the MEF and IESS on the transfer of healthcare obligations (including both internal and external providers), building on the December 2022 agreement; this updated agreement was signed in October 2025;

- implement an institutional model under the Tax Administration Diagnostic Assessment methodology to close the gaps in tax administration against best international practices, especially in control processes;

- increase coordination among agencies involved in financial sector oversight, establishing a Financial Stability Committee in line with best international practices, comprising the Central Bank, the MEF, the Financial and Monetary Policy and Regulatory Board, the Superintendent of Banks, the Superintendent of Popular and Solidarity Economy, the Superintendent of Companies and COSEDE;

- invest in the Central Bank's central securities depository and payment system to strengthen the domestic capital market and promote digital payments nationwide; and

- enhance financial integrity and fight against organized crime and related illicit activities by strengthening Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") framework; to that end, the Republic will enact new AML/CFT legislation to strengthen the AML/CFT framework in line with Financial Action Task Force standards.

On May 31, 2024, the Executive Board of the IMF approved a 48-month extended arrangement under the 2024 EFF for Ecuador, with access equivalent to SDR 3 billion (430% of quota, equivalent to U.S.$4 billion). The Board's approval permitted an immediate disbursement of SDR 753 million, equivalent to U.S.$1 billion, available to the public budget.

Implementation of the 2024 EFF has been monitored through quantitative performance criteria, indicative targets, and structural benchmarks. The 2024 EFF arrangement is subject to triannual reviews during 2024-25 and shift to semiannual reviews during 2026-28.

On December 2, 2025, the IMF announced that it had reached a staff-level agreement with the Ecuadorian authorities on the fourth triennial review under the EFF arrangement. According to the announcement, Ecuador met all quantitative performance criteria for end-October 2025 applicable to the fourth review, as well as all indicative targets for which data are available. According to the annoucement, the Ecuadorian authorities have taken decisive actions to strengthen fiscal sustainability and liquidity buffers, while protecting the most vulnerable segments of the population. As a result, government deposits and liquidity conditions have improved, and sovereign spreads have narrowed significantly. In addition, the Ecuadorian authorities have continued to advance an ambitious structural reform agenda aimed at safeguarding financial stability, enhancing governance, and promoting private investment and job-rich growth. In connection with the completion of the review, total access under the EFF was increased from approximately U.S.$4 billion to approximately U.S.$5 billion. Subject to approval of the review by the Executive Board of the IMF and confirmation of international partners' financial commitments, Ecuador would have immediate access to approximately U.S.$620 million (SDR438.4 million).

IMF Forecasts

Fiscal metrics and data forecasts

According to the IMF' Fourth Review under Ecuador's Extended Fund Facility Agreement, published in December 2025, the non-oil primary fiscal balance including fuel subsidies is expected to reach -4.1% of GDP in 2025, before of GDP -2.4% in 2026, -1.5% of GDP in 2027 and -0.9% of GDP in 2028.

This fiscal consolidation is set to be driven by the reduction of primary expenditures – from 26.8% of GDP in 2025 to 25.7% of GDP in 2027 – , such as fuel subsidies, which accounted for 1.6% of GDP in 2025, and to gradually decrease to 0.6% of GDP in 2028. Non-oil primary revenue is also set to increase, from 24.3% of GDP in 2025 to 25.4% of GDP in 2028.

Fiscal metrics and forecasts

%GDP	2023	2024	2025	2026	2027	2028	2029	2030
Non-oil primary fiscal balance (incl. fuel subsidies)	-7.5%	-5.4%	-4.1%	-2.4%	-1.5%	-0.9%	-0.6%	-0.4%
Non-oil primary revenue	22.7%	23.7%	24.3%	24.6%	25.0%	25.4%	25.5%	25.5%
Non-oil primary expenditure	27.5%	26.6%	26.8%	26.3%	25.9%	25.7%	25.6%	25.6%
Fuel subsidies	2.7%	2.4%	1.6%	0.7%	0.6%	0.6%	0.5%	0.4%

DSA forecasts

According to the IMF' Fourth Review under Ecuador's Extended Fund Facility Agreement, published in December 2025, the Non-Financial Public Sector debt will gradually decrease from 53.2% of GDP in 2025 to 42.2% of GDP in 2020. This decrease would be mostly driven by a reduction of NFPS External debt, which is set to reach 31.8% of GDP in 2030, compared to 39.5% of GDP in 2025.

Methodological differences between the MEF and the IMF in measuring NFPS debt stem from divergences in institutional coverage, the definition of liabilities included as public debt, and consolidation and data sources, with the IMF methodology being broader and aimed at international comparability.

DSA Forecasts

%GDP	2025	2026	2027	2028	2029	2030
NFPS - Total Debt	53.2%	51.4%	49.7%	47.7%	45.2%	42.2%
NFPS - External Debt	39.5%	38.5%	37.2%	35.6%	34.0%	31.8%
NFPS - Domestic Debt	13.7%	12.9%	12.5%	12.1%	11.2%	10.4%

2026 sources and uses

According to the IMF' Fourth Review under Ecuador's Extended Fund Facility Agreement, published in December 2025, the Non-Financial Public Sector gross financing needs will amount to U.S.$7,524 million These gross financing needs stem from a U.S.$55 million of NFPS Deficit, and U.S.$7,460 million of debt amortization.

These gross financing needs will be covered partly with domestic sources (U.S.$ 2,712 million), including treasury certificates and treasury bonds. The rest and majority will be covered with external sources (U.S.$ 4,812 million), with the support of multilateral and official partners (resp. U.S.$ 2,867 million and U.S.$601 million), as well as commercial sources such as Eurobonds (U.S.$1,344 million commercial financing, of which U.S.$1,000 million from the international capital markets).

Sources and uses	2026
U.S.$	
Gross financing needs	**7,524**
NFPS deficit	**55**
Amortization	**7,469**
Domestic	3,396
External	4,074
Multilateral	2,315
Bilateral	532
Commercial (incl. Eurobonds)	1,166
Other accounts payable clearance	60
Gross financing sources	**7,524**
Domestic	**2,712**
Use of deposits	-372
Treasury certificates	1,887
Treasury bonds	1,197
External	**4,812**
Multilateral	2,867
World Bank	400
IDB	550
CAF	450
IMF (GRA)	750
EIB	100

DEBT OBLIGATIONS

Brady Bonds and Eurobonds

In May 1994, the Government reached an agreement with its commercial bank creditors to restructure the Republic's medium-term and long-term commercial bank debt (the "Brady Plan"). The Brady Plan offered creditors the opportunity to exchange existing principal for either: (i) 30-year notes of the same face amount (the "Par Notes"), with interest initially fixed at 3% incrementally increased over the first ten years up to a rate of 5% or (ii) 30-year notes with a face amount equal to 55% of the face value of the debt exchanged (the "Discount Notes" together with the Par Notes, the "Brady Bonds") and bearing interest at the London Interbank Offered Rate ("LIBOR") plus 13-16%. The principal of Par Notes and Discount Notes was fully collateralized by 30-year U.S. Treasury notes and interest on those Notes was collateralized on a 12-month rolling basis. The Brady Plan also offered creditors the opportunity to exchange accrued and unpaid interest for two instruments: (i) 20-year notes bearing interest at LIBOR plus 13-16% (the "PDI Notes") and (ii) 10-year notes bearing-interest at LIBOR plus 13-16% and representing certain accrued and unpaid overdue interest under the Consolidation Agreement (the "IE Notes").

On December 21, 1994, the Republic issued U.S.$191.0 million of IE Notes. On February 28, 1995, the Republic issued U.S.$1.9 billion, U.S.$1.4 billion and U.S.$2.4 billion of Par Notes, Discount Notes and PDI Notes, respectively. The Republic also agreed to make certain additional cash payments in respect of overdue interest.

On April 25, 1997, the Republic issued U.S.$350 million of its 11.25% Fixed Rate Eurobonds due 2002 and U.S.$150 million of its Floating Rate Eurobonds due 2004 (together, the "Eurobonds"). In late 1999 and early 2000, the Republic defaulted on its Par Bonds, Discount Bonds, 11.25% Fixed Rate Eurobonds due 2002, Floating Rate Eurobonds due 2004, IE Notes and PDI Notes (together, the "Old Notes"). In June 2000, the Republic launched a global exchange offer whereby it offered U.S. dollar Denominated Global Notes due 2012 (the "2012 Notes") and U.S. dollar Denominated Step-Up Global Notes due 2030 (the Step-Up Global Notes due 2030 together with the 2012 Notes, the "2012 and 2030 Notes") together with a cash payment for any and all of the Old Notes.

In December 2005, the Republic successfully launched an issuance of notes due 2015 (the "2015 Notes"). The use of the proceeds of the 2015 Notes was to buy back certain of the 2012 Notes in accordance with their terms. The Republic successfully repaid all principal and interest on the 2015 Notes on December 15, 2015.

2012 and 2030 Notes and tender offer

In 2008, Ecuador defaulted on its interest payments for the 2012 and 2030 Notes in the aggregate amount of approximately U.S.$157 million and principal payments of approximately U.S.$3,200 million. The 2012 and 2030 Notes were originally issued in exchange for prior debt offerings of the Republic in order to extend the maturity dates of those prior obligations. This default followed the publication of a report in 2008 by the Commission of Integral Audit of Public Credit, a committee composed of representatives from both the Ecuadorian government and private sector organizations and members of civil society. The Commission of Integral Audit of Public Credit reviewed Ecuador's debt obligations from 1976 to 2006. This report made a number of findings regarding the legitimacy of Ecuador's debt obligations (including the 2012 and 2030 Notes), in particular relating to concerns involving the public assumption of private debt, appropriate authorizations, sovereign immunity, and the relevant economic terms of the debt obligations incurred. After the default, which occurred during the first term of former President Correa's administration, Ecuador offered to repurchase the 2012 and 2030 Notes. In April 2009 and November 2009, the Republic launched tender offers, in cash, to holders of the 2012 and 2030 Notes. Approximately 93.22% of the notes were tendered in the April 2009 and the November 2009 tender offers and were bought out at 35 cents on the dollar. Although some holders continue to hold the defaulted 2012 and 2030 Notes, Ecuador has since successfully repurchased additional 2012 and 2030 Notes from remaining holders. As of August 2024, the total aggregate amount of outstanding principal on the 2012 and 2030 Notes is U.S.$52 million, which represents 1.6% of the original aggregate principal amount of the 2012 and 2030 Notes.

2024 Notes

On June 17, 2014, the Republic issued U.S.$2,000 million in aggregate principal amount of 7.95% notes due 2024 (the "2024 Notes"). The Republic is current on its financial obligations under the 2024 Notes. The Republic used the proceeds of the 2024 Notes to finance its various hydroelectric projects and other infrastructure projects contemplated in the 2013-2017 National Development Plan. On April 17, 2020, certain terms and conditions of the 2024 Notes were amended pursuant to the Republic April Consent Solicitations. See "*the April 2020 Consent Solicitations.*" On August 31, 2020, certain holders of the

2024 Notes exchanged their 2024 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2024 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2022 Notes

On July 28, 2016, the Republic issued U.S.$1,000 million in aggregate principal amount of 10.75% notes due 2022 (the "2022 Notes"). The Republic reopened the 2022 Notes on September 30, 2016 and issued an additional U.S.$1,000 million of 2022 Notes at a price of 100%. The Republic is current on its financial obligations under the 2022 Notes. The Republic used the proceeds of the 2022 Notes to finance its various hydroelectric projects and other infrastructure projects contemplated in the National Development Plan. On October 16, 2017, the Republic issued an additional U.S.$378 million of 2022 Notes at a price of 112.878%. On August 31, 2018, the Republic issued an additional U.S.$500 million of 2022 Notes at a price of 104.753%. On October 31, 2018, the Republic issued an additional U.S.$1,187,028,000 of 2022 Notes at a price of 105.305%.

On March 23, 2020, the Ministry of Economy and Finance announced that the Republic had decided to exercise its right to a 30-day grace period for the payment of interest on the 2022 Notes. Before the expiration of the 30-day grace period, on April 17, 2020, certain terms and conditions of the 2022 Notes were amended pursuant to the Republic April Consent Solicitations. See "*the April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 2022 Notes exchanged their 2022 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2022 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2026 Notes

On December 13, 2016, the Republic issued U.S.$750 million in aggregate principal amount of 9.650% notes due 2026 (the "2026 Notes"). The Republic reopened the 2026 Notes on January 13, 2016 and issued an additional U.S.$1,000 million of 2026 Notes at a price of 103.364%. The Republic is current on its financial obligations under the 2026 Notes. The Republic used the proceeds of the 2026 Notes to (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms. On October 16, 2017, the Republic issued an additional U.S.$41 million of 2026 Notes at a price of 106.664%. On August 6, 2019, the Republic issued an additional U.S.$611,870,000 of 2026 Notes at a price of 107.026%.

On April 17, 2020, certain terms and conditions of the 2026 Notes were amended pursuant to the Republic April Consent Solicitations. See "*the April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 2026 Notes exchanged their 2026 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2026 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2023 Notes and 9.625% 2027 Notes

On June 2, 2017, the Republic issued U.S.$1,000 million in aggregate principal of 8.750% notes due 2023 (the "2023 Notes") and U.S.$1,000 million in aggregate principal of 9.625% notes due 2027 (the "9.625% 2027 Notes"). The Republic is current on its financial obligations under the 2023 Notes and the 9.625% 2027 Notes. The Republic used the proceeds of the 2023 Notes and the 9.625% 2027 Notes to (1) finance Government Programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms. On October 16, 2017, the Republic issued an additional U.S.$187 million of 2023 Notes at a price of 104.412%. On May 29, 2019, the Republic issued an additional U.S.$688,268,000 of 2023 Notes at a price of 106.597%. On August 6, 2019, the Republic issued an additional U.S.$610,359,000 of 2023 Notes at a price of 107.291%.

On April 17, 2020, certain terms and conditions of the 2023 Notes and of the 9.625% 2027 Notes were amended pursuant to the Republic April Consent Solicitations. See "*The April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 9.625% 2027 Notes exchanged their 9.625% 2027 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 9.625% 2027 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

8.875% 2027 Notes

On October 23, 2017, the Republic issued U.S.$2,500 million in aggregate principal amount of 8.875% notes due 2027 (the "8.875% 2027 Notes"). The Republic is current on its financial obligations under the 8.875% 2027 Notes. The Republic used the proceeds of the 8.875% 2027 Notes to (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms.

On April 17, 2020, certain terms and conditions of the Second 2027 Notes were amended pursuant to the Republic April Consent Solicitations. See "*The April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 8.875% 2027 Notes exchanged their 8.875% 2027 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 8.875% 2027 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2028 Notes

On January 23, 2018, the Republic issued U.S.$3,000 million in aggregate principal amount of 7.875% notes due 2028 (the "2028 Notes"). The Republic is current on its financial obligations under the 2028 Notes. The Republic used the proceeds of the 2028 Notes to (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms.

On April 17, 2020, certain terms and conditions of the 2028 Notes were amended pursuant to the Republic April Consent Solicitations. See "*The April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 2028 Notes exchanged their 2028 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2028 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2029 Notes

On January 31, 2019, the Republic issued U.S.$1,000 million in aggregate principal amount of 10.750% notes due 2029 (the "2029 Notes"). The Republic is current on its financial obligations under the 2029 Notes. The Republic used the proceeds of the 2029 Notes to (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms. On June 17, 2019, the Republic issued an additional U.S.$1,125 million of 2029 Notes at a price of 110.746%. The Republic used the proceeds of the additional 2029 Notes to repurchase U.S.$1,175,370,000 principal amount of outstanding debt.

On April 17, 2020, certain terms and conditions of the 2029 Notes were amended pursuant to the Republic April Consent Solicitations. See "*The April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 2029 Notes exchanged their 2029 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2029 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

2025 Notes and 9.500% 2030 Notes

On September 27, 2019, the Republic issued U.S.$600 million in aggregate principal amount of 7.875% notes due 2025 (the "2025 Notes") and U.S.$1,400 million in aggregate principal amount of 9.500% notes due 2030 (the "9.500% 2030

Notes"). The Republic used the proceeds of the 2025 Notes and the 9.500% 2030 Notes to (1) finance Government programs, (2) finance infrastructure projects that have the capacity to repay related debt obligations and (3) refinance an existing external debt obligation on more favorable terms.

On April 17, 2020, certain terms and conditions of the 2025 Notes and of the 2030 Notes were amended pursuant to the Republic April Consent Solicitations. See "*The April 2020 Consent Solicitations.*"

On August 31, 2020, certain holders of the 2025 Notes and 9.500% 2030 Notes exchanged their 2025 Notes and 9.500% 2030 Notes for New Republic Securities as part of the July 2020 Exchange Offer and Consent Solicitation. The remaining 2025 Notes and 9.500% 2030 Notes that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040. See "*July 2020 Exchange Offer and Consent Solicitation.*"

The Social Bonds

On January 30, 2020, the Republic issued U.S.$400 million in aggregate principal amount of 7.25% notes due 2035 (the "Social Bonds"). The Social Bonds are backed by a U.S.$300 million guarantee by the IDB. The Republic is current on its financial obligations under the Social Bonds. The Republic used the proceeds of the Social Bonds to finance social housing through loans that would be available at participating financial institutions to first-time buyers in Ecuador meeting certain conditions under the Government's Housing for All program.

On July 20, 2020 the Republic requested consent from the sole holder of 100% of the Social Bonds and further made certain proposed amendments to the Social Bonds.

New Republic Securities issued under the July 2020 Exchange Offer and Consent Solicitation

On August 31, 2020, as part of the July 2020 Exchange Offer and Consent Solicitation, the Republic issued the following new securities (the "New Republic Securities"):

- U.S.$3,701,423,865 in aggregate principal amount of Step-Up Coupon Notes due 2030;
- U.S.$8,458,864,776 in aggregate principal amount of Step-Up Coupon Notes due 2035;
- U.S.$3,403,135,207 in aggregate principal amount of Step-Up Coupon Notes due 2040; and
- U.S.$1,004,941,992 in aggregate principal amount of Zero-Coupon Notes due 2030.

The Republic is current on its financial obligations under the New Republic Securities. Each of the New Republic Securities was issued in exchange for Existing Republic Securities that were tendered as part of the July 2020 Exchange Offer and Consent Solicitation.

The April 2020 Consent Solicitations

As a result of the COVID-19 crisis and the significant drop in the export price for Ecuador's crude oil during the first quarter of 2020, both circumstances severely compromising the Republic's ability at the time to meet its obligations with its stakeholders, on April 8, 2020, the Republic announced that it was seeking to amend each of the Existing Republic Securities and their respective indentures to provide short-term relief from certain of the Republic's financial obligations while the Government implemented steps needed to address the Republic's public finances over the medium- and long-terms and render its outstanding debt obligations sustainable. To that end, on that day, the Republic commenced two solicitations of consents which it subsequently amended on April 14, 2020 (as amended, the "Republic April Consent Solicitations"), one for eligible holders of the 2024 Notes and the other for eligible holders of the rest of the Existing Republic Securities, to amend certain terms and conditions of the Existing Republic Securities.

On April 17, 2020, the Republic announced it had received the requisite consents from eligible holders of each of the Existing Republic Securities pursuant to the Republic April Consent Solicitations. On that same day, the terms of each of the Existing Republic Securities and the corresponding indentures were amended in accordance with the Republic April Consent Solicitations, and the Existing Republic Securities Amendments became effective.

As part of the Republic April Consent Solicitations, the Republic paid eligible holders of a series of the Existing Republic Securities who delivered valid consents a fee in an amount equal to the Consent Payment Amount with respect to that series.

On April 28, 2020, Petroamazonas, supported by a guarantee by the Republic, announced a separate consent solicitation for its 4.625% Notes due 2020 to amend its amortization schedule, extend the maturity date from November 6, 2020, to December 6, 2021, and defer principal and interest payments. The proposed amendments included the establishment of a new amortization schedule beginning January 6, 2021, monthly interest payments starting September 6, 2020, and a reduction of U.S.$0.50 per U.S.$1,000 of the outstanding principal on the first payment. The amendments also excluded cross defaults linked to specific Republic bonds and other external indebtedness up to U.S.$300,000,000, aligning with the Republic's debt reprofiling strategy. On May 4, 2020, Petroamazonas announced that it had received the requisite consents from 98.91% of eligible holders of its Notes due 2020, allowing the proposed amendments to take effect following payment of a consent fee to participating eligible holders.

The July 2020 Exchange Offer and Consent Solicitation

On July 20, 2020, Ecuador launched an exchange offer and consent solicitation in respect of the Existing Republic Securities (the "July 2020 Exchange Offer and Consent Solicitation"). Under the July 2020 Exchange Offer and Consent Solicitation, Ecuador invited certain of the holders of the Existing Republic Securities to exchange those Existing Republic Securities for a package of New Republic Securities. Eligible holders who agreed to exchange their Existing Republic Securities for the New Republic Securities would also receive 86% of the accrued and unpaid interest on such Existing Republic Securities up to, but excluding, the settlement date, in the form of a new zero-coupon bond due 2030.

In addition, pursuant to the consent solicitation, Ecuador sought consents from such holders to modify the terms of the Existing Republic Securities as follows:

- each series of Existing Republic Securities that remained outstanding would be modified to replicate the maturity and economic terms of the New Republic Securities due 2040, without changing the ISIN numbers of such Existing Republic Securities and without re-issuing new global notes, and the outstanding principal amount of the applicable Existing Republic Securities would be reduced such that, for every U.S.$1,000 principal amount originally due, only U.S.$911.30 principal amount remained outstanding;

- provisions limiting certain modifications in the context of exchange offers and issuances of new notes in the context of consent solicitations would be removed; and

- certain events of default would be modified or removed from the terms and conditions of the Existing Republic Securities.

The July 2020 Exchange Offer and Consent Solicitation was subject to certain conditions, including (i) the announcement of a staff-level agreement on a program with the IMF by the settlement date and (ii) the receipt by Ecuador of consents and tenders that would result in at least 80% of the aggregate principal amount of all series of Existing Republic Securities (other than the Existing Republic Securities due 2024) being modified or otherwise exchanged pursuant to the July 2020 Exchange Offer and Consent Solicitation.

On August 3, 2020, Ecuador announced that it had obtained the requisite consents from the holders of all ten series of Existing Republic Securities to modify the terms of such Existing Republic Securities. On August 28, 2020, the IMF announced that it had reached a staff-level agreement on a new funded program for Ecuador, thereby satisfying the IMF related condition of the July 2020 Exchange Offer and Consent Solicitation. Settlement of the July 2020 Exchange Offer and Consent Solicitation took place on August 31, 2020. On such date, all eligible Existing Republic Securities that had been validly tendered as part of the July 2020 Exchange Offer and Consent Solicitation were exchanged for the New Republic Securities in accordance with the terms of the July 2020 Exchange Offer and Consent Solicitation and the remaining Existing Republic Securities that were not exchanged were modified to replicate the maturity and economic terms of the New Republic Securities due 2040.

On May 9, 2023, the Republic completed a debt conversion in which a special purpose vehicle issued a U.S.$656 million marine conservation linked bond and used the proceeds to finance the repurchase of approximately U.S.$1.628 billion of the Republic's outstanding international bonds. In connection with the transaction, the Republic entered into a fixed rate

term facility with the special purpose vehicle as lender and a facility agent, and the Republic's obligations under that loan provide the payment stream that supports the special purpose vehicle's debt service on the bond and the related conservation funding commitments. See "*External Debt*."

On December 10, 2024, the Republic completed a debt conversion in which a special purpose vehicle issued bonds and used the bond proceeds to conduct a tender offer for, and repurchase, U.S.$1,527.49 million of the Republic's outstanding international bonds. In connection with the transaction, the Republic entered into a back to back loan facility under which the special purpose vehicle acted as lender and the Republic acted as borrower, and the repurchased bonds were delivered to the Republic in lieu of a cash disbursement, with the facility deemed disbursed and outstanding under the loan. The Republic's payment obligations under that loan are expected to support the special purpose vehicle's debt service on its bonds and the related conservation funding commitments, with credit enhancements including political risk insurance from the U.S. International Development Finance Corporation and a liquidity guarantee from the IADB. See "*External Debt*."

DESCRIPTION OF THE NOTES

Ecuador will issue the Notes under the Indenture. The following description summarizes the material provisions of the Notes and the Indenture. This summary does not contain all of the information that may be important to you as a potential investor in the Notes. You should read the Indenture and the form of the Notes before making your investment decision.

Authorization

The issue of the Notes was authorized by the Republic's Debt and Finance Committee under Acta Resolutiva No. CDF-RES-2026-001 dated January 16, 2026 and under Acta Resolutiva No. CDF-RES-2026-003 dated January 26, 2026.

Basic Terms

The 2034 Notes will:

(i) be general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador and will be backed by the full faith and credit of Ecuador;

(ii) be initially issued in an aggregate principal amount of U.S.$2,200,000,000 of 8.750% Notes due 2034;

(iii) mature at par on the final maturity date of January 29, 2034 (subject to any Optional Redemption, prepayment or repurchase);

(iv) amortize in three installments of principal, with an amount equal to 33.3% of the original principal amount payable on January 29, 2032, an additional amount equal to 33.3% of the original principal amount payable on January 29, 2033, and the remaining outstanding principal amount payable on January 29, 2034 (*i.e.*, the maturity date);

(v) be issued in denominations of US$200,000 and in integral multiples of US$1,000 in excess thereof;

(vi) be represented by one or more registered bonds in global form, but in certain limited circumstances may be represented by bonds in certificated form;

(vii) contain "collective action clauses" under which Ecuador may amend certain key terms of the Notes, including the maturity date, interest rate and other terms, with the consent of less than all of the holders of the Notes; and

(viii) be redeemable at the option of Ecuador (see "*Optional Redemption*").

The 2039 Notes will:

(i) be general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador and will be backed by the full faith and credit of Ecuador;

(ii) be initially issued in an aggregate principal amount of U.S.$1,800,000,000 of 9.250% Notes due 2039;

(iii) mature at par on the final maturity date of January 29, 2039 (subject to any Optional Redemption, prepayment or repurchase);

(iv) amortize in three installments of principal, with an amount equal to 33.3% of the original principal amount payable on January 29, 2037, an additional amount equal to 33.3% of the original principal amount payable on January 29, 2038, and the remaining outstanding principal amount payable on January 29, 2039 (*i.e.*, the maturity date);

(v) be issued in denominations of US$200,000 and in integral multiples of US$1,000 in excess thereof;

(vi) be represented by one or more registered bonds in global form, but in certain limited circumstances may be represented by bonds in certificated form;

(vii) contain "collective action clauses" under which Ecuador may amend certain key terms of the Notes, including the maturity date, interest rate and other terms, with the consent of less than all of the holders of the Notes; and

(viii) be redeemable at the option of Ecuador (see "*Optional Redemption*").

Interest

Interest on the 2034 Notes will:

(i) accrue at a rate of 8.750% per annum;

(ii) accrue from and including the Settlement Date, or the most recent interest payment date;

(iii) be payable semi-annually in arrears on January 29 and July 29 of each year, commencing on July 29, 2026; and

(iv) be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the 2039 Notes will:

(i) accrue at a rate of 9.250% per annum;

(ii) accrue from and including the Settlement Date, or the most recent interest payment date;

(iii) be payable semi-annually in arrears on January 29 and July 29 of each year, commencing on July 29, 2026; and

(iv) be computed on the basis of a 360-day year comprised of twelve 30-day months.

Amortization of Principal

The principal amount of the 2034 Notes will be repaid in three installments on January 29, 2032, January 29, 2033 and January 29, 2034, as described above. Following each amortization payment, the outstanding principal amount of the 2034 Notes will be reduced accordingly, and interest will accrue only on the remaining outstanding principal amount. Only the outstanding principal amount of the 2034 Notes following any prior amortization payments will be due and payable at the final maturity date.

The principal amount of the 2039 Notes will be repaid in three installments on January 29, 2037, January 29, 2038 and January 29, 2039, as described above. Following each amortization payment, the outstanding principal amount of the 2039 Notes will be reduced accordingly, and interest will accrue only on the remaining outstanding principal amount. Only the outstanding principal amount of the 2039 Notes following any prior amortization payments will be due and payable at the final maturity date.

Payments

Principal of, and premium, if any, and interest on, the Notes (including any scheduled amortization payments of principal, as applicable) will be payable at the offices or agencies maintained by Ecuador for such purpose (which initially will be the offices of the paying agents specified on the inside back cover page of this Offering Circular). Payment of principal of, and premium, if any, and interest on the Notes in global form registered in the name of or held by Euroclear or Clearstream (any of Euroclear and Clearstream, the "**Depositary**") or its nominee, will be made in U.S. Dollars in immediately available funds to the Depositary or its nominee, as the case may be, as the registered holder of the global bonds, which will receive the funds in trust for, and for distribution to, the beneficial owners. If any of the Notes are no longer represented by global bonds, payment of principal (including any scheduled amortization payments of principal) and interest on Certificated Securities may, at Ecuador's option, be made by check mailed directly to holders at their registered addresses (except for (i) registered holders of at least US$1,000,000 aggregate principal amount of Notes, to whom payments will be made by wire transfer if such holder elects so; *provided* that not less than 15 days prior to the payment date, such holders have given the trustee notice of their

election to receive payment by wire transfer and provided the trustee with bank account information and wire transfer instructions or (ii) if Ecuador is making such payments at maturity and such person surrenders the Certificated Securities at the corporate trust office or at the office of one of the other paying agents designated by Ecuador).

If Ecuador is not required to pay principal or interest by wire transfer, it may, subject to applicable laws and regulations, mail a check on or before the due date for the payment. The check will be mailed to such holder at their address as it appears on the register as of the applicable record date.

Ecuador will maintain a paying agent, a transfer agent and a registrar in New York City and a paying agent in at least one member state of the European Union ("**European Union Member**") (which, so long as the Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, will be in Luxembourg). Ecuador has initially appointed The Bank of New York Mellon, London Branch to serve as London paying agent. Ecuador will give prompt notice to all holders of the Notes and the trustee of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

If any date for an interest or principal payment is not a business day, Ecuador will make the payment on the next succeeding business day. Such payments will be deemed to have been made on the due date, and no interest on the Notes will accrue for the period after the due date. For the purpose of this section, a "business day" means any day that is not a Saturday or Sunday, or any other day on which commercial banks in New York City, United States of America, London, England or Quito, Ecuador (or in the city where the relevant paying or transfer agent is located) are required or authorized by law to close.

To the extent permitted by law, claims against Ecuador for the payment of principal of or interest or other amounts due on, the Notes (including Additional Amounts (as defined below)) will become void unless made within six years of the date on which that payment first became due.

The registered holder of a Note will be treated as its owner for all purposes.

Certificated Securities

Ecuador may issue Certificated Securities in certain limited circumstances. For more information, see "*Book-Entry, Delivery and Form—Certificated Securities*."

Transfer, Exchange and Replacement of the Notes

The Notes may be transferred or exchanged in whole or in part at the offices or agencies maintained by Ecuador for such purpose (which initially will be the offices of the transfer agent specified on the inside back cover page of this Offering Circular) together with an executed instrument of transfer or exchange.

No service charge will be made for any registration of transfer or exchange of Notes, but Ecuador, the trustee or any transfer agent may require payment of an amount sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

If any Note becomes mutilated, defaced, destroyed, lost or stolen, Ecuador may issue, and the trustee will authenticate and deliver, a substitute Note. In each case, the applicant for a substitute Notes will be required to furnish to Ecuador, the trustee, the paying agent, the transfer agent and the registrar an indemnity under which it will agree to pay Ecuador, the trustee, the paying agent, the transfer agent and the registrar for any losses they may suffer relating to the Note that was mutilated, defaced, destroyed, lost or stolen. Ecuador and the trustee may also require that the applicant present other documents or proof. The applicant will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, defaced, destroyed, lost or stolen Note.

Further Issuances

Ecuador may from time to time, without the consent of holders of the Notes of any series, create and issue additional debt securities of any series of the Notes having the same terms and conditions as such series of the Notes in all respects, except for issue date, issue price and the first payment on such series of the Notes; provided, however, that any such additional debt securities subsequently issued shall be issued, for U.S. federal income tax purposes, either (a) as part of the "same issue" as

such series of the Notes or (b) in a "qualified reopening" of such series of the Notes, unless such additional debt securities have a separate CUSIP, ISIN or other identifying number from such previously outstanding series of the Notes. Such additional debt securities will be consolidated with and will form a single series with the previously outstanding series of the Notes.

Additional Amounts

Payments of principal of, and premium, if any, and interest on the Notes are not currently subject to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature in Ecuador. All payments by Ecuador in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature, unless the withholding or deduction is required by law. If any such withholding or deduction is imposed or levied by or on behalf of Ecuador, or any political subdivision or taxing authority or agency therein or thereof having the power to tax (collectively, "**relevant tax**"), Ecuador shall pay such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the amounts received by holders or beneficial owners after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of the Notes in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts shall be payable in respect of any relevant tax:

(i) in respect of any Note held by or on behalf of a holder or a beneficial owner of a Note that is liable for such taxes, duties, assessments or governmental charges by reason of such holder or beneficial owner having some present or former connection with Ecuador other than any connection arising merely from the holding of such Note or from receipt, of principal or interest in respect thereof;

(ii) in respect of any Note held by or on behalf of a holder or a beneficial owner of such Note that is liable for such taxes, duties, assessments or governmental charges by reason of the failure of such holder or beneficial owner to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Ecuador, or any political subdivision or taxing authority thereof or therein, of such holder or beneficial owner or of the holder or beneficial owner of any interest in such Note or any rights in respect thereof, provided that, (A) compliance is required by Ecuador, or any political subdivision or taxing authority thereof or therein, as a precondition to exemption from all or any portion of such withholding or deduction, (B) at least 30 days prior to the first scheduled payment date for which compliance will be required, Ecuador has notified the holders in writing that holders of Notes must comply with such certification, identification or other reporting requirement in order to receive Additional Amounts; or (C) such requirements are not materially more onerous to such holders or beneficial owners (in form, in procedure or in the substance of information disclosed) than comparable information or other reporting requirements imposed under U.S. federal tax law, regulation and administrative practice (such as U.S. Internal Revenue Service Forms W-8 and W-9); or

(iii) in respect of any Note presented for payment (where such presentation is required) more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to Additional Amounts on presenting the same for payment on any date during such 30-day period.

As used herein, "relevant date" in respect of any Note means the date on which payment in respect thereof first becomes due or, if the full amount of the money payable has not been received by the trustee on or prior to such due date, the date on which notice is duly given to the holders that such monies have been so received and are available for payment. All references in this Offering Circular to principal of, and premium, if any, or interest on the Notes will include any Additional Amounts payable by Ecuador in respect of such principal or interest.

Ecuador will pay any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies which arise in Ecuador or any political subdivision thereof or taxing authority thereof or therein in respect of the creation, issue, execution, delivery or registration of the Notes or any other document or instrument referred to therein. Ecuador will also indemnify the holders or beneficial owners from and against any stamp, court or documentary taxes or any excise or property taxes, charges or similar levies resulting from, or required to be paid by any of them in any jurisdiction in connection with, the enforcement of the obligations of Ecuador under the Notes or any other document or instrument referred to therein following the occurrence of any event of default.

Repurchase

Ecuador may at any time purchase or acquire the Notes in the open market or otherwise at any price. Any Note so purchased or acquired (including upon any redemption) shall not be re-issued or resold except in compliance with the Securities Act and other applicable law.

Optional Redemption

Ecuador will have the right at its option, upon giving (a) not less than 30 days nor more than 60 days' notice to the holders of a series of Notes and (b) not less than 30 days' notice to the Trustee, to redeem such Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price equal to 100% of the principal amount of such Notes, or if greater, the sum of the present value of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 50 basis points, with respect to both the 2034 Notes and the 2039 Notes (in each case, the "Make-Whole Amount") plus in each case accrued and unpaid interest to the redemption date on the Notes to be redeemed on such date (in each case, an "Optional Redemption").

On and after the applicable redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected on a pro rata basis, selected by lot or by such method as the Trustee shall deem fair and appropriate (subject to the procedures of the Depositary).

The terms used in this paragraph shall have the following meanings:

"Comparable Treasury Issue" means the United States of America Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the period from the redemption date to the maturity date of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of comparable debt securities of a comparable maturity to the period from the redemption date to the maturity date of such Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations or (ii) if the Republic obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations. When obtaining a Comparable Treasury Price, the Republic must consult at least three Reference Treasury Dealers.

"Independent Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the Republic.

"Reference Treasury Dealer" means a dealer selected by the Republic that is a primary United States government securities dealers.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker (after consultation with the Republic), of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Republic by such Reference Treasury Dealer at 3:30 p.m., New York time on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as defined above) calculated by the Independent Investment Banker, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Certain Covenants of Ecuador

So long as any Note remains outstanding or any amount payable by Ecuador under the Notes shall remain unpaid, Ecuador agrees that it shall:

1. obtain and maintain in full force and effect all Ecuadorian Authorizations, necessary under the laws of Ecuador for the execution and delivery of, and performance by Ecuador under, the Notes or for their validity or enforceability, and take all necessary and appropriate governmental and administrative action in Ecuador in order for Ecuador to be able to make all payments to be made by it under the Notes;

2. ensure that at all times its obligations under the Notes are general, direct, unsecured, unsubordinated and unconditional obligations of Ecuador and will be backed by the full faith and credit of Ecuador and ensure that the Notes will rank equally in terms of priority with Ecuador's External Indebtedness (other than Excluded Indebtedness), provided that such ranking is in terms of priority only and does not require that Ecuador make ratable payments on the Notes with payments made on its other External Indebtedness;

3. use its reasonable best efforts to list and thereafter to maintain the listing of the Notes on a stock exchange of recognized international standing, which may include the Luxembourg Stock Exchange;

4. not create or suffer to exist, or permit the Banco Central to create or suffer to exist, any Lien upon any of its present or future assets or revenues to secure or otherwise provide for the payment of any External Indebtedness of Ecuador or the Banco Central unless, on or prior to the date such Lien is created or comes into existence, the obligations of Ecuador under the Notes are secured equally and ratably with such External Indebtedness; and

5. on an annual basis publish no later than June 30 of the relevant year (which can be by posting to a publicly available website maintained by Ecuador) the Republic Aggregate Debt Information with respect to the preceding calendar year.

The Republic may, however, create or permit to subsist "Permitted Liens."

Events of Default

Each of the following is an event of default with respect to each series of the Notes:

(a) *Non-Payment.* (i) Failure to pay principal on the Notes of such series when due (unless such non-payment is due to an administrative or technical error and is remedied within five (5) business days of the date when such payment is due); or (ii) failure to pay interest on the Notes of such series within 30 days following the due date; or

6. *Breach of Other Obligations.* Failure to observe or perform any of the covenants or agreements for such series provided herein or in the Indenture (in each case, other than those referred to in (a) above) for a period of 30 days following written notice to Ecuador by the trustee or holders representing at least 25% in principal amount of the then outstanding Notes of such series to remedy such failure; or

7. Cross-Default.

(iv) Ecuador fails to make any payment in respect of any External Indebtedness (other than Excluded Indebtedness) in an aggregate principal amount in excess of U.S.$50,000,000 (or its equivalent in any other currency) when due (as such date may be extended by virtue of any applicable grace period or waiver); or

(a) The holders of at least 25% of the aggregate outstanding principal amount of any External Indebtedness (other than Excluded Indebtedness) having an aggregate principal amount in excess of U.S.$50,000,000 (or its equivalent in any other currency), accelerate or declare such External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled prepayment), prior to its stated maturity, as a result of any default by Ecuador under such External Indebtedness, and such acceleration, declaration or prepayment is not annulled or rescinded within 30 days;

8. *Moratorium.* Ecuador, or a court of proper jurisdiction, declares a formal and official suspension of payments or a moratorium with respect to the payment of principal of, or interest on, Ecuador's External Indebtedness (other than Excluded Indebtedness);

9. Validity.

(v) Ecuador denies, repudiates or contests any of its obligations under the Notes of such series in a formal administrative, legislative, judicial or arbitral proceeding; or

(vi) Any constitutional provision, treaty, law, regulation, decree, or other official pronouncement of Ecuador, or any final decision by any court in Ecuador having jurisdiction, renders it unlawful for Ecuador to pay any amount due on the Notes of such series or to perform any of its obligations under the Notes of such series;

10. *IMF Membership*. Ecuador fails to maintain its membership in the IMF or ceases to be eligible to use the resources of the IMF;

11. *CAF, FLAR and IDB Membership.* Ecuador fails to maintain its membership in, or its eligibility to use the general resources or equivalent of, any of CAF, FLAR and IDB;

12. *Judgment.* There shall have been entered against Ecuador or the Banco Central in a matter related to External Indebtedness (other than Excluded Indebtedness) a final judgment, decree or order by a court of competent jurisdiction from which no appeal may be made, or is made within the time limit for doing so, for the payment of money in excess of U.S.$50,000,000 (or its equivalent in another currency) and 120 days shall have passed since the entry of any such order without Ecuador having satisfied the judgment;

13. *Arbitral Award.* There shall be made against Ecuador or the Banco Central in a matter related to External Indebtedness (other than Excluded Indebtedness) an arbitral award by a tribunal of competent jurisdiction from which no appeal or application to a tribunal or court of competent jurisdiction to set aside may be made, or is made within the time limit for doing so, for the payment of money in excess of U.S.$50,000,000 (or its equivalent in another currency) and 120 days shall have passed since the making of any such award without Ecuador having satisfied the award; and

14. *Information Covenant*. Ecuador fails to publish on an annual basis no later than June 30 of the relevant year (which can be by posting to a publicly available website maintained by Ecuador) the Republic Aggregate Debt Information with respect to the preceding calendar year for a period of 90 days following written notice to Ecuador by the trustee or holders representing at least 25% in principal amount of the then outstanding Notes of such series to remedy such failure;

If any of the events of default described above occurs and is continuing, the holders of not less than 25% of the aggregate principal amount of the then-outstanding Notes of each series may, by written notice to Ecuador with a copy to the trustee, declare all the Notes of such series then outstanding to be immediately due and payable. Accordingly, holders of less than 25% of the aggregate principal amount of the outstanding Notes of each series may not, on their own, declare the Notes of such series due and payable immediately. The holders of the Notes of each series may exercise these acceleration rights only by providing such written notice to Ecuador, with a copy to the trustee, at a time when the event of default is continuing.

Ecuador will notify the trustee promptly upon becoming aware of the occurrence of any event of default or potential event of default.

Upon any declaration of acceleration, the principal of, and interest and all other amounts payable on, the Notes of the relevant series will become immediately due and payable on the date on which Ecuador receives written notice of the declaration, unless Ecuador has remedied the event or events of default prior to receiving the notice. The holders representing in the aggregate more than 50% of the principal amount of the outstanding Notes of such series may, on behalf of all holders of such series, waive any existing defaults or events of default and their consequences or rescind a declaration of acceleration, if:

(vii) following the declaration of the Notes of such series to be due and payable immediately, Ecuador deposits forthwith with the trustee a sum sufficient to pay all overdue installments of principal, interest and other amounts in respect of the Notes of such series as well as the reasonable expenses and indemnities, fees and compensation of the trustee; and

(viii) all other events of default (other than the non-payment of principal on the Notes) have been remedied.

Meetings, Amendments and Waivers—Collective Action

Ecuador may call a meeting of the holders of the Notes of any series at any time regarding the Indenture or the applicable series of the Notes. Ecuador will determine the time and place of the meeting and will notify the holders and the trustee of the time, place and purpose of the meeting not less than 30 and not more than 60 days before the meeting.

In addition, Ecuador or the trustee will call a meeting of the holders of the Notes of each series if holders of not less than 10% of the aggregate principal amount of the outstanding Notes of such series have delivered a written request to Ecuador or the trustee (with a copy to Ecuador) setting forth the purpose of the meeting. Within 10 days of receipt of such written request or copy thereof, Ecuador will notify the trustee and the trustee will notify the holders of the time, place and purpose of the meeting called by the holders, to take place not less than 30 and not more than 60 days after the date on which such notice is given.

Only holders of the Notes or their proxies are entitled to vote at a meeting of holders. Ecuador will set the procedures governing the conduct of the meeting and if additional procedures are required, Ecuador will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of the Notes pursuant to written action with the consent of the requisite percentage of the Notes of that series. Ecuador will solicit the consent of the relevant holders to the modification not less than 10, and not more than 30, days before the expiration date for the receipt of such consents as specified by Ecuador.

The holders of the Notes of each series may generally approve any proposal by Ecuador to modify or take action with respect to the Indenture or the terms of the Notes with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding aggregate principal amount of that series of the Notes.

However, holders of any series of debt securities issued under the Indenture (including the Notes) may approve, by vote or consent through one of three modification methods, any modification, amendment, supplement or waiver proposed by Ecuador that would do any of the following (such subjects referred to as "Reserve Matters"):

(i) change the date on which any amount is payable on the debt securities;

(ii) reduce the principal amount (other than in accordance with the express terms of the debt securities and the Indenture) of the debt securities;

(iii) reduce the interest rate on the debt securities;

(iv) change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the Indenture);

(v) increase the percentage of holders required to accelerate or reduce the percentage of holders required to rescind the acceleration of a series of debt securities;

(vi) change the coin, currency or place of payment of any amount payable on the debt securities;

(vii) modify Ecuador's obligation to make any payments on the debt securities (including any redemption price therefor);

(viii) change the identity of the obligor under the debt securities;

(ix) change the definition of "Debt Security," or "Series";

(x) change the definition of "Outstanding" or the percentage of affirmative votes or written consents, as the case may be, required to make a "Reserve Matter Modification";

(xi) change the definition of "Uniformly Applicable" or "Reserve Matter Modification";

(xii) change the definition of "Restructuring Exchange Offer," or the sections in the Indenture related to "Reserve Matter Modification Methods" or "Cross-Series Modifications with Single Aggregated Voting" or "re-designation";

(xiii) authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of Ecuador or any other person; or

(xiv) change the legal ranking, governing law, submission to jurisdiction, arbitral provisions or waiver of immunities provisions of the terms of the debt securities.

A change with respect to a reserve matter, including the payment terms of the Notes of a series, can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

(i) the holders of more than 75% of the aggregate principal amount of the outstanding Notes insofar as the change affects the Notes (but does not modify the terms of any other debt securities issued under the Indenture);

(ii) where such proposed modification would affect the outstanding debt securities of any two or more series (including the Notes of such series) issued under the Indenture, the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of all the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met; or

(iii) where such proposed modification would affect the outstanding debt securities of any two or more series (including the Notes of such series) issued under the Indenture, whether or not the "uniformly applicable" requirements are met, the holders of more than 66 $^{2}/_{3}$% of the aggregate principal amount of the outstanding debt securities of all of the series (including the Notes) affected by the proposed modification, taken in the aggregate, and the holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each series (including each series of the Notes) affected by the modification, taken individually.

Any modification consented to or approved by the holders of debt securities pursuant to the above provisions will be conclusive and binding on all holders of the relevant series of debt securities or all holders of all series of debt securities affected by a cross-series modification, as the case may be, whether or not they have given such consent, and on all future holders of those debt securities whether or not notation of such modification is made upon the debt securities. Any instrument given by or on behalf of any holder of a debt security in connection with any consent to or approval of any such modification will be conclusive and binding on all subsequent holders of that debt security.

If Ecuador proposes a "restructuring exchange offer" (as defined below) or cross-series modification with two-tier voting under the Indenture, Ecuador shall not, for 36 months after the settlement of such restructuring exchange offer or the effectiveness of such modification, select a cross-series modification with single aggregated voting as the method of modification for a proposed reserve matter that affects (i) any of the series of debt securities initially designated but not successfully modified pursuant to the initial cross-series modification or any series not fully exchanged pursuant to the restructuring exchange offer and (ii) any series of debt securities successfully modified, exchanged or substituted for pursuant to such modification or any series of debt securities into which debt securities were exchanged pursuant to such restructuring exchange offer (or any series of debt securities into which any of the foregoing is subsequently modified, exchanged or substituted), unless such prior modification or restructuring exchange offer received the affirmative vote or consent or participation, as the case may be, of holders of more than 75% of the aggregate principal amount of the outstanding debt securities of all the series initially designated to be included in that modification or restructuring exchange offer.

"Restructuring exchange offer" means an offer inviting Holders of more than one Series of debt securities to exchange such debt securities for new debt securities (other than an invitation to exchange where (i) the debt securities to be exchanged are trading above 90% of their par value (or accreted value in the case of debt securities initially issued at a discount) on an internationally recognized financial information platform (such as Bloomberg) at 4:00 p.m., New York time, as reported on the Business Day immediately prior to the date on which the invitation is launched, and (ii) the sum of the net present values of the new debt securities and any other consideration delivered in the exchange is not less than 90% of the sum of the net present values of the debt securities and any other consideration to be exchanged, in each case, discounted at the same rate of return).

"Uniformly applicable," as referred to above, means a modification by which holders of debt securities of any series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other

exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Before soliciting any consent or vote of any holder of the Notes of a series for any change to a reserve matter, Ecuador will provide the following information to the trustee for onward distribution to the holders of the Notes:

(iv) a description of Ecuador's economic and financial circumstances that are in Ecuador's opinion, relevant to the request for the proposed modification, a description of Ecuador's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;

if Ecuador shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;

(v) a description of Ecuador's proposed treatment of foreign debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and

(vi) if Ecuador is then seeking any reserve matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the Notes of a series or any other series of debt securities has approved any amendment, modification or change to, or waiver of, such series of the Notes, such other series of debt securities or the Indenture, or whether the required percentage of holders has delivered a notice of acceleration of such series of the Notes, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by Ecuador or by a public sector instrumentality of Ecuador, except that (x) debt securities held by Ecuador or any public sector instrumentality of Ecuador which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the trustee the pledgee's right so to act with respect to such debt securities and that the pledgee is not Ecuador or a public sector instrumentality of Ecuador, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means (i) the *Banco Central del Ecuador* ("Central Bank of Ecuador"), (ii) any department, secretary, ministry or agency of the central government of Ecuador and (iii) any corporation, trust or other legal entity owned or controlled by the central government of Ecuador or by any of the entities identified in the preceding clauses (i), (ii) and (iii). The term "control" means, in turn, the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or to elect or to appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Re-designation

Ecuador shall have the discretion to propose a modification pursuant to any modification method and, for modification methods affecting cross-series modifications, to designate which series of debt securities will be aggregated for purposes of considering the approval of such modification; provided however, except as set forth at the end of this paragraph, that Ecuador shall choose the modification method(s) and specify the modification method(s) to holders of affected series of debt securities at the time that Ecuador proposes the modification. For the avoidance of doubt, once Ecuador elects the modification method(s), proposes the modification of a reserve matter, and designates the series of debt securities that will be

aggregated for purposes of such modification, such election, proposal, and designation may not be changed, modified or supplemented without providing written notice of such change, modification, or supplement to holders of affected series of debt securities and ensuring such holders have not less than a further five (5) business days from the date of such notice to cast, revoke or change any vote or approval requested in connection with such proposed modification. Notwithstanding the foregoing, at any time prior to the effectiveness of the modification and without prior notice to holders of any debt securities initially designated to be included, Ecuador shall have discretion to re-designate if such prior cross-series modification received the affirmative vote or consent or participation, as the case may be, of holders of more than 66⅔% of the aggregate principal amount of the outstanding debt securities of all the series initially designated to be included in that restructuring exchange offer or cross-series modification. See "*Meetings, Amendments and Waivers—Collective Action.*"

Other Amendments

Ecuador and the trustee may, without the vote or consent of any holder of any series of the Notes, amend the Indenture or a series of Notes for the purpose of:

(i) adding to Ecuador's covenants for the benefit of the holders;

(ii) surrendering any of Ecuador's rights or powers with respect to a series of the Notes;

(iii) securing a series of the Notes;

(iv) curing any ambiguity or curing, correcting or supplementing any defective provision in a series of the Notes or the Indenture;

(v) amending a series of the Notes or the Indenture in any manner that Ecuador and the trustee may determine and that does not materially adversely affect the interests of any holders of such series of the Notes;

(vi) amending the authorized denominations of a series of the Notes; or

(vii) correcting a manifest error of a formal, minor or technical nature.

Notices

Ecuador will mail notices to holders of Certificated Securities at their registered addresses, as reflected in the register maintained by the Registrar. Ecuador will consider any mailed notice to have been given five business days after it has been sent. Ecuador will give notices to the holders of Global Bonds in accordance with the procedures and practices of the Depositary and such notices shall be deemed given upon actual receipt thereof by the Depositary.

Ecuador will also publish notices to the holders in leading newspapers having general circulation in New York City and London. Ecuador anticipates that it will make such publications in *The Wall Street Journal* and the *Financial Times*. In addition, so long as any series of the Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange and the rules of that Exchange so require, Ecuador will publish notices to the holders of such series in a leading newspaper having general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange (www.luxse.com). Ecuador anticipates that it will initially make its newspaper publication in the *Luxemburger Wort*. If publication in a leading newspaper in Luxembourg is not practical, Ecuador will publish such notices in one other leading English language daily newspaper with general circulation in Europe. Ecuador will consider any published notice to be given on the date of its first publication.

Governing Law

The Notes will be, and the Indenture is, governed by, and construed in accordance with, the laws of the State of New York, except that all matters governing the jurisdiction of disputes involving Ecuador as contemplated below, are governed by the laws of England.

Submission to Jurisdiction

(b) Jurisdiction of Disputes Involving Ecuador:

(a) Any dispute, controversy or claim of any nature arising out of, relating to or having any connection with the Notes of a series, including any dispute as to the existence, validity, interpretation, performance, breach, termination or consequences of the nullity of the Notes (a "Dispute"), where Ecuador is either a party, claimant, respondent or otherwise is necessary thereto, shall not be referred to a court of any jurisdiction and shall instead be referred to and finally resolved by arbitration under the Rules of the LCIA ("LCIA Rules") as at present in force as modified by this Section (1), which LCIA Rules are deemed to be incorporated by reference into this Section (1). The provisions in the LCIA Rules regarding an Emergency Arbitrator shall not apply. Capitalized terms used in this Section (1) which are not otherwise defined in this Indenture shall have the meaning given to them in the LCIA Rules. In particular:

(i) There shall be three arbitrators.

(b) Each arbitrator shall be an English or New York qualified lawyer of at least fifteen (15) years' standing with experience in relation to international banking or capital markets disputes. At least one of those arbitrators shall be a lawyer qualified in New York.

(c) If there are two parties to the Dispute, each party shall be entitled to nominate one arbitrator. If there are multiple claimants and/or multiple respondents, all claimants and/or all respondents shall attempt to agree upon their respective nomination(s) such that the claimants shall together be entitled to nominate one arbitrator and the respondents shall together be entitled to nominate one arbitrator. If any such party or multiple parties fail to nominate an arbitrator within thirty (30) days from and including the date of receipt of the relevant request for arbitration, an arbitrator shall be appointed on their behalf by the LCIA Court in accordance with the LCIA Rules and applying the criteria at sub-paragraph ii. above. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the LCIA Rules.

(d) The third arbitrator and chairman of the arbitral tribunal shall be appointed by the LCIA Court in accordance with the LCIA Rules and applying the criteria at sub-paragraph (ii). above.

(e) The seat, or legal place, of arbitration shall be London, England.

(f) The language to be used in the arbitration shall be English. This Section (1) shall be governed by English law.

(g) Without prejudice to any other mode of service allowed by law, Ecuador hereby appoints Law Debenture Corporate Services Limited, with its registered office at 8th Floor, 100 Bishopsgate, London EC2N 4AG (the "Authorized Agent") as its agent under the Notes for service of process in relation to any proceedings before the English courts in relation to any arbitration contemplated by this Section (1) or in relation to recognition or enforcement of any such arbitral award obtained in accordance with this Section (1).

If the Authorized Agent is unable to act for any reason as Ecuador's agent under the Notes of a series for the service of process, Ecuador must immediately (and in any event within ten (10) days of the event taking place) appoint another agent (a "Replacement Agent") on terms acceptable to the trustee.

Ecuador agrees that failure by the Process Agent or, as applicable, a Replacement Agent, to notify Ecuador of the process shall not invalidate the proceedings concerned.

(h) Jurisdiction of Disputes between the Trustee and the Holders Only:

Any Dispute between the trustee and any holders of the Notes or holders of the Notes only, and where Ecuador is not a party, claimant, respondent or otherwise is necessary thereto, shall be subject to the non-exclusive jurisdiction of any New York state or United States federal court sitting in the Borough of Manhattan, the City of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Notes of a series, and the trustee and the holders of the Notes hereby irrevocably submit to such jurisdiction and agree that all claims in respect of such Dispute may be heard and determined in such New York state or United States federal court.

(i) Scope of Immunity:

The execution and delivery of the Notes by Ecuador constitutes, and Ecuador's performance of and compliance with its obligations shall constitute an act of commercial public credit as provided under the laws of Ecuador. To the extent permitted by law, Ecuador irrevocably and unconditionally agrees that:

(a) Ecuador submits to the jurisdiction of any Ecuadorian court and to any legal process in Ecuador's courts (other than attachment proceedings prior to recognition or enforcement of an arbitral award), in connection with the enforcement of an arbitral award obtained in accordance with Section (1), except with respect to the Immune Property, which shall be entitled to immunity from enforcement in accordance with mandatory provisions of the laws of Ecuador;

(b) Ecuador submits to the jurisdiction of any court outside Ecuador and to any legal process, orders or other measures in courts outside Ecuador, whether through service or notice, attachment in aid of execution, execution against property of any sort, actions in rem or the grant of injunctions or specific performance, in connection with the enforcement of an arbitral award obtained in accordance with Section (1), except with respect to the Immune Property, which shall be immune to the fullest extent;

(c) Ecuador undertakes not to invoke any defense on the basis of any kind of immunity, for itself and/or its assets which do not constitute Immune Property in respect of any of the foregoing legal actions or proceedings; and

(d) Ecuador submits to the jurisdiction of the English courts in connection with any proceedings invoking the supervisory jurisdiction of those courts in relation to an arbitration conducted pursuant to Section (1).

The levy of execution on assets of Ecuador within the territory of Ecuador shall be carried out in accordance with and under the laws of Ecuador.

Ecuador irrevocably waives, to the fullest extent permitted by law, any requirement or provision of law that requires the posting of a bond or other security as a condition to the institution, prosecution or completion of any action or proceeding.

An arbitral award obtained in accordance with Section (1) shall be conclusive and may be enforced in any jurisdiction in accordance with the New York Convention or in any other manner provided for by law.

"Immune Property", in accordance with the provisions of the law of Ecuador, means:

(i) any property which is used or designated for use in the performance of the functions of the diplomatic mission of Ecuador or its consular posts

(ii) aircraft, naval vessels and other property of a military character or used or designated for use in the performance of military functions;

(iii) property forming part of the cultural heritage of Ecuador or part of its archives;

(iv) unexploited natural non-renewable resources in Ecuador;

(v) funds managed in the national Treasury Account;

(vi) assets and resources comprising available monetary reserves of Ecuador;

(vii) public domain assets used for providing public services in Ecuador;

(viii) national assets located in the territory of Ecuador and belonging to Ecuador, such as streets, bridges, roads, squares, beaches, sea and land located over 4,500 meters above sea level;

(ix) accounts of the Banco Central, whether they are held abroad or locally; and

(x) public entities' deposits with the Banco Central, whether they are maintained abroad or locally.

"New York Convention" means the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958.

The provisions of this Section (1) have been negotiated and agreed solely with respect to the transactions described in this Indenture. In no event shall the definition or scope of Immune Property described in this section be relied upon, utilized, admitted as evidence in any proceeding or construed by any third party (including any court, arbitrator or arbitral tribunal) to interpret any analogous provisions of any other agreement or instrument unrelated to the transactions contemplated in this or relating to any other indebtedness of Ecuador.

Currency Indemnity

The obligation of Ecuador to any holder under the Notes will be discharged only to the extent that the holder may purchase U.S. Dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. Dollars in the amount originally to be paid, Ecuador agrees, as a separate obligation and notwithstanding any such judgment, to pay the difference. The holder, however, agrees that, if the amount of the U.S. Dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to Ecuador. The holder, however, will not be obligated to make this reimbursement if Ecuador is in default of its obligations under the Notes.

Concerning the Trustee

The Indenture contains provisions relating to the obligations and duties of the trustee, to the indemnification of the trustee and to the trustee's rights, protections, exculpations, defenses and relief from responsibility for actions that it takes or fails to take. The trustee is entitled to enter into business transactions with Ecuador or any of its affiliates without accounting for any profit resulting from such transactions.

Defined Terms

The following are certain definitions used in the Notes:

"**Banco Central**" means the Banco Central de la República del Ecuador.

"**Domestic Indebtedness**" means all Indebtedness (other than the Debt Securities) that is (i) issued pursuant to agreements or evidenced by instruments that expressly submit the resolution of all disputes to the exclusive jurisdiction of the courts of Ecuador or (ii) governed by Ecuadorian law.

"**Ecuadorian Authorization**" means any approval, authorization, permit, consent, exemption or license or other action of or by, and any notice to or filing with, any Governmental authority, agency, regulatory or administrative body of Ecuador or of any Ecuadorian political subdivision.

"**Excluded Indebtedness**" means the following Series of securities issued by Ecuador:

(xi) the 12 per cent. U.S. Dollar Denominated Global Bonds due 2012;

(xii) the U.S. Dollar Denominated Step-up Global Bonds due 2030; and

(xiii) any Existing Bonds and the related Existing Indenture.

"**Existing Bonds**" shall mean the following debt series issued by Ecuador, as amended from time to time:

(e) Title of Security	**(f) ISIN / Common Code**
(g) 10.750% Notes due March 28, 2022	(h) XS1458516967; XS1458514673 / 145851696; 145851467
(i) 8.750% Notes due June 2, 2023	(j) XS1626768656; XS1626768730 / 162676865; 162676873
(k) 7.950% Notes due June 20, 2024	(l) XS1080331181; XS1080330704 / 108033118;108033070
(m) 7.875% Notes due March 27, 2025	(n) XS2058848826; XS2058845210 / 205884882; 205884521
(o) 9.650% Notes due December 13, 2026	(p) XS1535072109; XS1535071986 / 153507210; 153507198
(q) 9.625% Notes due June 2, 2027	(r) XS1626529157; XS1626530320 / 162652915; 162653032
(s) 8.875% Notes due October 23, 2027	(t) XS1707041429; XS1707041262 / 170704142; 170704126
(u) 7.875% Notes due January 23, 2028	(v) XS1755432363; XS1755429732 / 175543236; 175542973

(w) 10.750% Notes due January 31, 2029	(x) XS1929377015; XS1929376710 / 192937701; 192937671
(y) 9.500% Notes due March 27, 2030	(z) XS2058866307; XS2058864948 / 205886630; 205886494
(aa) 7.250% Notes due January 30, 2035	(bb) XS2107382405 / XS2107382157

"**Existing Indenture**" means any of the following: trust indentures representing the "Existing Bonds," dated as of June 20, 2014, July 28, 2016, December 13, 2016, June 2, 2017, October 23, 2017, January 23, 2018, January 31, 2019, September 27, 2019, and January 30, 2020 (each as amended from time to time).

"**External Indebtedness**" means all Indebtedness (other than the Notes) that is not (i) issued pursuant to agreements or evidenced by instruments that expressly submit the resolution of all disputes to the exclusive jurisdiction of the courts of Ecuador or (ii) governed by Ecuadorian law.

"**Indebtedness**" means for any person (a) all indebtedness of or guaranteed by such person for or in connection with borrowed money, and (b) all obligations of or guaranteed by such person (other than those specified in sub-paragraph (a) above

evidenced by debt securities, debentures, notes or other similar instruments; **provided that** Indebtedness shall not include commercial agreements not having the commercial effect of a borrowing

"**Lien**" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest with respect to the payment of any obligations with or from the proceeds of any assets or revenues of any kind.

"**Permitted Liens**" means:

(xiv) any Lien on property to secure External Indebtedness arising in the ordinary course of business to finance export, import or other trade transactions, which matures (after giving effect to renewals and refinancings) no more than one year after it was originally incurred;

(xv) any Lien upon property to secure the purchase price of such property or to secure any External Indebtedness incurred solely for the purpose of financing the acquisition of such property;

(xvi) any Lien on property arising by operation of law (or pursuant to any agreement establishing a Lien equivalent to one which would otherwise exist under relevant local law), including without limitation any right of set-off with respect to demand or time deposits with financial institutions and bankers' liens with respect to property held by financial institutions (in each case deposited with or delivered to such financial institutions in the ordinary course of the depositor's activities);

(xvii) any Lien existing on such property at the time of its acquisition;

(xviii) any Lien in existence as of the date of issuance of the Notes;

(xix) any Lien securing External Indebtedness issued upon surrender or cancellation of the principal amount of any of the Excluded Indebtedness, to the extent the Lien is created to secure the External Indebtedness;

(xx) any Lien created in connection with any Project Financing, as defined below, *provided that* the properties to which any such Lien applies are solely with respect to (A) properties which are the subject of such Project Financing or (B) revenues or claims which arise from the operation, failure to meet specifications, failure to complete, exploitation, sale or loss of, or damage to, such properties;

(xxi) additional Liens created in any calendar year upon assets, revenues or receivables of Ecuador having, when encumbered, a fair market value not exceeding an aggregate amount equal to U.S.$50,000,000 (or its equivalent in any other currency or currencies) to collateralize, or to purchase collateral, guarantees or other credit support in respect of, new borrowings by Ecuador, *provided that* to the extent U.S.$50,000,000 (or its equivalent in any other currency or currencies) exceeds such aggregate fair market value of such assets, revenues or receivables so encumbered in such calendar year, the aggregate fair market value of such assets, revenues

and receivables permitted to be encumbered hereby in subsequent calendar years shall be increased by such excess amount; *provided, however*, that in no event shall the fair market value of such assets, revenues or receivables so encumbered in any calendar year exceed an aggregate amount equal to U.S.$150,000,000 (or its equivalent in any other currency or currencies); and

(xxii) any renewal or extension of any of the Liens described above; *provided that* no renewal or extension of any permitted Lien shall (A) extend to or cover any property other than the property then subject to the Lien being extended or renewed or (B) increase the amount of financing secured by that Lien.

"**Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any properties in connection with a project if the person or persons providing such financing expressly agree to look to the properties financed and the revenues to be generated by the operation of, or loss of or damage to, such properties as the principal source of repayment for the moneys advanced.

"**Republic Aggregate Debt Information**" shall mean the following data as of the end of each calendar year:

(a) total aggregate External Indebtedness, External Indebtedness of the Central Government and the aggregate External Indebtedness of the Public Sector Instrumentality, each expressed as an amount in millions of U.S. Dollars; (b) External Indebtedness by type of creditor, including official sector and commercial bank creditor and bonds, each expressed as an amount in millions of U.S. Dollars; (c) External Indebtedness as a percentage of nominal GDP; and

(b) a summary of total aggregate Domestic Indebtedness **provided that**, for the avoidance of doubt the Republic Aggregate Debt Information shall not include disaggregated data of Public Sector Instrumentalities or geographic subdivisions of Ecuador.

"**Treasury Account**" means the account established under Article 299 of Ecuador's 2008 Constitution.

PLAN OF DISTRIBUTION

BofA Securities, Inc. and Citigroup Global Markets Inc., are acting as initial purchasers of the offering of the Notes. Subject to the terms and conditions in the purchase agreement between the Republic and the initial purchasers, dated the date of this Offering Circular (the "Purchase Agreement"), the Republic has agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from the Republic, the principal amount of each series of Notes set forth opposite its name below.

Initial Purchasers	Principal Amount of 2034 Notes	Principal Amount of 2039 Notes
BofA Securities, Inc.	U.S.$1,100,000,000	U.S.$900,000,000
Citigroup Global Markets Inc.	U.S.$1,100,000,000	U.S.$900,000,000
Total	**U.S.$2,200,000,000**	**U.S.$1,800,000,000**

The initial purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The Republic has been advised that the initial purchasers proposes to resell the Notes at the offering price set forth on the cover page of this Offering Circular within the United States in reliance on Rule l44A and outside the United States in reliance on Regulation S. See "*Transfer Restrictions*." The price at which the Notes are offered may be changed at any time without notice. The initial purchasers may offer and sell the Notes through certain of their affiliates.

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "*Transfer Restrictions*."

Accordingly, the initial purchasers have advised us that, except as permitted by the Purchase Agreement and as set forth in "*Transfer Restrictions*," they will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons as part of the distribution of the Notes.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer, whether or not participating in this offering, may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

Although application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, any such listing does not assure that a trading market for the Notes will develop. The initial purchasers intend to make a secondary market for the Notes. However, they are not obligated to do so and may discontinue making a secondary market for the Notes at any time without notice. No assurance can be given as to how liquid the trading market for the Notes will be. The Republic cannot assure you that the prices at which the Notes will trade in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

In connection with the offering of the Notes, the initial purchasers (or persons acting on its behalf) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes during the stabilization period at a level higher than that which might otherwise prevail. However, stabilization action may not necessarily occur.

Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time.

Over-allotment involves sales of Notes in excess of the principal amount of Notes to be purchased by the initial purchasers in this offering, which creates a short position for the initial purchasers. Covering transactions may involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions may consist of certain bids or purchases of Notes made for the purpose of pegging, fixing or maintaining the price of the Notes while the offering is in progress. Any of these activities may cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, it may discontinue them at any time.

The initial purchasers and their affiliates may have provided investment banking, commercial banking and other financial advisory services to the Republic or its instrumentalities from time to time for which they have received customary fees and reimbursement of expenses and may in the future provide additional services for which they will receive customary fees and reimbursements of expenses.

Additionally, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The initial purchasers and their affiliates that have a lending relationship with us or our instrumentalities routinely hedge their credit exposure to us or our instrumentalities consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Pursuant to the Purchase Agreement with respect to the Notes, the Republic has agreed to indemnify the initial purchasers and their affiliates against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers or their affiliates may be required to make because of any of those liabilities.

The Notes have not been offered, sold or delivered and will not be offered, sold or delivered, directly or indirectly, and this Offering Circular or any other offering material relating to the Notes, has not been and will not be distributed in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Republic except as set forth in the Purchase Agreement. Furthermore, we have agreed that we will not, for a period of 90 days after the issue date of the Notes, without the prior written consent of the initial purchasers, offer, sell, contract to sell, issue or otherwise dispose of any debt securities (other than the Notes) in the international capital markets under Rule 144A or Regulation S, or registered under the Securities Act, without the written consent of the initial purchasers.

No action has been or will be taken by the Republic or the initial purchasers that would or is intended to permit an offering of the Notes or the possession, circulation or distribution of this Offering Circular in preliminary or final form, or any other offering material relating to the Republic or the Notes, in any country or jurisdiction where action for that purpose is required.

It is expected that the delivery of the Notes will be made against payment therefor on or about January 29, 2026, which will be the third business day following the date of pricing of the Notes (such settlement cycle being herein referred to as "T+3"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade Notes prior to the business day before the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially will settle T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade securities prior to the business day before the delivery of the Notes hereunder should consult their own advisor.

Sales Outside the United States

Notice to Prospective Investors in the European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, the expression "retail investor" means a person who is one (or more) of: (i) a retail client as defined inpoint (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPs Regulation.

Notice to Prospective Investors in the United Kingdom

(a) Financial promotion: The only invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) that has been communicated or caused to be communicated, or that will be communicated, are those in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Republic; and

(b) General compliance: all applicable provisions of the FSMA with respect to anything done in relation to any Notes in, from or otherwise involving the United Kingdom have been complied with.

Notice to Prospective Investors in Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act of June 15, 2018, as amended (the "FinSA"), except (i) to any investor that qualifies as a professional within the meaning of the FinSA, and (ii) in any other circumstance qualifying as an exemption within the meaning of article 36 paragraph 1 of the FinSA, provided in each case, that no such offer of Notes referred to in clauses (i) and (ii) above shall require the publication of a prospectus for offers of the Notes in Switzerland pursuant to FinSA. No application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Panama

The Notes have not been, and will not be, registered with the Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*) of Panama and therefore cannot, and will not, be publicly offered or sold in Panama, except in transactions exempted from the registration requirements of the securities laws and regulations of Panama. The Superintendency of Capital Markets of Panama has not reviewed the information contained in this Offering Circular. The Notes will not be subject to the securities laws of Panama and the Superintendency of Capital Markets of Panama will have no supervisory responsibilities over the Notes. The Notes do not benefit from the tax incentives provided by Panamanian securities laws. Investors must only acquire the Notes for investment purposes and not with a view to resale of the securities in Panama.

Notice to Prospective Investors in Peru

The Notes have not been, and will not be, subject to a public offering in Peru. This Offering Circular and the Notes have not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (*Superintendencia del Mercado de Valores* or "SMV") or the Lima Stock Exchange (Bolsa de Valores de

Lima). Accordingly, the Notes cannot be offered or sold in Peru, except if (i) the Notes are previously registered with the SMV or (ii) such offering is considered to be a private offering under the securities laws and regulations of Peru.

The Peruvian securities laws establish, among other things, that an offer directed exclusively to institutional investors (as defined under Peruvian law) qualifies as a private offering. In making an investment decision, institutional investors (as defined under Peruvian law) must rely on their own examination of the terms of the offering of the Notes to determine their ability to invest in the Notes. No offer or invitation to subscribe for or sell the Notes or beneficial interests therein can be made in Peru except in compliance with the securities laws thereof.

Notice to Prospective Investors in Chile

Pursuant to the Securities Market Law of Chile and the Norma de Carácter General (Rule) No. 336, dated June 27, 2012, issued by the Financial Market Commission of Chile (*Comisión para el Mercado Financiero*, or "CMF") ("Rule 336"), the Notes may be privately offered in Chile to certain qualified investors identified as such by Rule 336 (which are further described in Rule No. 216, dated June 12, 2008, and Rule 410 dated July 27, 2016, both of the CMF).

Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: January 16, 2026. The offer of the Notes is subject Rule 336;

2. The Notes and this Offering Circular are not registered with the Securities Registry (Registro de Valores) of the CMF, nor with the Foreign Securities Registry (Registro de Valores Extranjeros) of the CMF; hence, the notes are not subject to the oversight of the CMF;

3. Since the Notes are not registered in Chile there is no obligation by the issuer to deliver public information about the Notes in Chile; and

4. The Notes shall not be subject to public offering in Chile unless registered in the relevant securities registry of the CMF.

Notice to Prospective Investors in Colombia

The Notes have not been, and will not be, registered in the National Securities and Issuers Registry (Registro Nacional de Valores y Emisores) of Colombia or traded on the Colombian Stock Exchange (Bolsa de Valores de Colombia). Therefore, the Notes may not be publicly offered or sold in Colombia except in compliance with Colombian securities regulations.

The Offering Circular is for the sole and exclusive use of the addressee as an offeree in Colombia, and the Offering Circular shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee. The recipient of the Notes acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the Notes being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

Notice to Prospective Investors in Hong Kong

This Offering Circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes have not been, and will not be, offered or sold in Hong Kong by means of any documents other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong

or otherwise is or contains an invitation to the public (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Brazil

The Notes have not been, and will not be, registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or the "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No. 160, dated July 13, 2022, as amended, or unauthorized distribution under Brazilian laws and regulations. The Notes will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian Professional Investors (as defined by applicable CVM regulation), who may only acquire the Notes through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these Notes on regulated securities markets in Brazil is prohibited.

Notice to Prospective Investors in Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA") (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Singapore Securities and Futures Act Product Classification

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the S Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"). Accordingly, each initial purchaser has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan in effect at the relevant time.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws in Canada.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that

the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

TRANSFER RESTRICTIONS

The Notes are subject to the following restrictions on transfer. By purchasing Notes, each prospective investor will be deemed to have made the following acknowledgments, representations to and agreements with the Republic and the Global Coordinators, Joint Bookrunners and Structuring Agents:

(1) Each prospective investor acknowledges that:

- the Notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

- unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) Each prospective investor represents that it is not an affiliate (as defined in Rule 144 under the Securities Act) of the Republic, that it is not acting on the Republic's behalf and that either:

- it is a qualified institutional buyer (as defined in Rule 144A) and is purchasing Notes for its own account or for the account of another qualified institutional buyer, and it is aware that the transferor is selling the Notes to it in reliance on Rule 144A; or

- it is not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and it is purchasing Notes in an offshore transaction in accordance with Regulation S.

(3) Each prospective investor acknowledges that neither the Republic nor the Global Coordinators, Joint Bookrunners and Structuring Agents nor any person representing the Republic or the Global Coordinators, Joint Bookrunners and Structuring Agents have made any representation to such prospective investor with respect to the Republic or the offering of the Notes, other than the information contained in this Offering Circular. Each prospective investor represents that it is relying only on this Offering Circular in making its investment decision with respect to the Notes. Each prospective investor agrees that it has had access to such information concerning the Republic and the Notes as it has deemed necessary in connection with its decision to purchase Notes, including an opportunity to ask questions of and request information from the Republic.

(4) Each prospective investor represents that it is purchasing Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of that investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from the registration requirements of the Securities Act. Each prospective investor agrees on its own behalf and on behalf of any investor account for which it is purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the applicable resale restriction period pursuant to Regulation S or Rule 144, the Notes may be offered, sold or otherwise transferred only:

(a) to the Republic;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom it has given notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to Regulation S; or

(e) under any other available exemption from the registration requirements of the Securities Act; subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or such account's control.

Each prospective investor also acknowledges that:

- the Republic and the Trustee reserve the right to require, in connection with any offer, sale or other transfer of Notes before the applicable resale restriction period ends pursuant to Regulation S or Rule 144 under clauses (d) and (e) above, the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Republic and the Trustee;

- Notes (other than those issued outside the United States pursuant to Regulation S) will, until the issuer decides to remove the legend below, unless otherwise agreed by us and the holder thereof, bear a legend substantially to the following effect:

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE ISSUER OF THIS NOTE, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 AND RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (II) THROUGH (V) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

BY ACCEPTANCE OF THIS NOTE BEARING THE ABOVE LEGEND, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, EACH HOLDER OF THIS NOTE ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THESE NOTES SET FORTH ABOVE AND AGREES THAT IT SHALL TRANSFER THIS NOTE ONLY AS PROVIDED HEREIN AND IN THE INDENTURE.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE ONLY AT THE OPTION OF THE ISSUER.

- Notes issued outside the United States pursuant to Regulation S will, unless otherwise agreed by us and the holder thereof, bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION AND, ACCORDINGLY, PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT), MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT TO A

PERSON REASONABLY BELIEVED TO BE A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND THE INDENTURE.

Each prospective investor acknowledges that the Republic, the Trustee, any agent, the Global Coordinators, Joint Bookrunners and Structuring Agents and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. Each prospective investor agrees that if any of the acknowledgments, representations or agreements such prospective investor is deemed to have made by its purchase of Notes is no longer accurate, it will promptly notify the Republic and the Global Coordinators, Joint Bookrunners and Structuring Agents. If any prospective investor is purchasing any Notes as a fiduciary or agent for one or more investor accounts, such prospective investor represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

Book-Entry Settlement and Clearance

Global Notes

Each series of Notes will initially be issued in the form of two registered Notes in global form (which the Republic refers to in this Offering Circular as Global Notes), without interest coupons, as follows:

- Each series of Notes sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act will be represented by one or more Global Notes (which the Republic refers to in this Offering Circular as the Restricted Global Notes); and

- Each series of Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by one or more Global Notes (which the Republic refers to in this Offering Circular as the Regulation S Global Note).

Upon issuance, the Global Notes will be deposited with the common depositary and registered in the nominee name of the common depositary for Euroclear and Clearstream.

Ownership of beneficial interests in each Global Note will be limited to persons who either have accounts with Euroclear (which the Republic refers to in this Offering Circular as the "Euroclear participants") or persons who have accounts with Clearstream (which the Republic refers to in this Offering Circular as the "Clearstream participants") or to persons who hold interests through Euroclear participants or Clearstream participants. The Republic expects that under procedures established by Euroclear:

- upon deposit of each Global Note with the common depositary, Euroclear or Clearstream will credit portions of the principal amount of the Global Note to the accounts of the Euroclear or Clearstream participant designated by the Global Coordinators, Joint Bookrunners and Structuring Agents; and

- ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by Euroclear (with respect to interests of Euroclear participants) or Clearstream (with respect to interests of Clearstream participants) and the records of Euroclear or Clearstream participants (with respect to other owners of beneficial interests in each Global Note).

Investors may hold their interests in a Global Note directly through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems. Investors may also hold their interests in a Global Note through organizations other than Euroclear or Clearstream, that are Euroclear participants. The entity serving as the common depositary will hold the interests in each Global Note.

Beneficial interests in the Global Notes may not be exchanged for Notes in definitive form except in the limited circumstances described below.

Each Global Note and beneficial interests in each Global Note will be subject to restrictions on transfer as described under "*Transfer Restrictions.*"

Exchanges between the Global Notes

Beneficial interests in one Global Note may generally be exchanged for interests in another Global Note. Depending on whether the transfer is being made during or after the 40-day restricted period, and to which Global Note the transfer is being made, the Republic or Trustee may require the seller to provide certain written certifications in the form provided in the Indenture (as defined in "*Description of the Notes*").

A beneficial interest in a Global Note that is transferred to a person who takes delivery through another Global Note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Book-Entry Procedures for the Global Notes

All interests in the Global Notes will be subject to the operations and procedures of Euroclear and Clearstream. The Republic provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Republic, the Global Coordinators, Joint Bookrunners and Structuring Agents, the Trustee, or any agent is responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participanting organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream and provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear or Clearstrem, Luxembourg system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

So long as the common depositary is the registered owner of a Global Note, that common depositary will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive definitive notes; and
- will not be considered the owners or holders of the Notes under the Indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee under the Indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream to exercise any rights of a holder of Notes under the Indenture (and, if the investor is not a participant or an indirect participant in Euroclear or Clearstream, on the procedures of the Euroclear or Clearstream participant through which the investor owns its interest in the Notes).

Payments of principal and interest with respect to the Notes represented by a Global Note will be made by the Trustee to the common depositary as the registered holder of the Global Note. Neither the Republic nor the Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by Euroclear or Clearstream or for maintaining, supervising or reviewing any records of Euroclear or Clearstream relating to those interests.

Payments by participants and indirect participants in Euroclear and Clearstream to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and Euroclear or Clearstream (as applicable).

Transfers between participants in Euroclear will be effected under Euroclear's procedures and will be settled in same-day funds. Transfers between participants in Clearstream will be effected in the ordinary way under the rules and operating procedures of Euroclear and Clearstream.

On or after the Issue Date, transfers of Notes between accountholders in Euroclear and/or Clearstream will generally have a settlement date three business days after the trade date (T+3), unless the parties agree to an alternative settlement date at the time of the transaction. The customary arrangements for delivery versus payment will apply to such transfers. Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the Global Notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither the Republic nor the Trustee nor any paying agent will have any responsibility for the performance by Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Definitive Notes

Notes in definitive form will be issued and delivered to each person that Euroclear or Clearstream identifies as a beneficial owner of the related Notes only if:

- the depositary notifies the Republic at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;

- Euroclear or Clearstream notify the Republic that they are unwilling or unable to continue to act as clearing system in respect of a Global Note, or if either clearing system is closed for business for a continuous period (other than by reason of holidays, statutory or otherwise) of 14 days or more, or ceases operations; or

- the Trustee receives a notice from or on behalf of the registered holder of the Global Note requesting exchange of a specified amount for individual definitive note certificates.

TAXATION

Ecuador Taxation

The following is a general discussion of Ecuadorian tax considerations. The discussion is based upon the tax laws of the Republic as in effect on the date of this Offering Circular, which are subject to change. Prospective investors should consult their own tax advisers with respect to Ecuadorian tax consequences of the investment. This summary does not discuss the effects of any treaties that may be entered into by, or be effective with respect to, the Republic.

All payments of principal and interest for the Notes offered for sale pursuant to this Offering Circular and accepted by the Republic, and any gains made by a holder from such sale, will be exempt from any Ecuadorian income tax, including withholding tax, if the holder is a foreign holder, i.e.:

- The holder is an individual and is not resident in the Republic for tax purposes; or
- The holder is a non-Ecuadorian entity that does not hold the Notes through a permanent establishment or fixed base in the Republic.

There are no Ecuadorian stamp, registration or similar taxes payable by a foreign holder in connection with offers, sales or enforcement of Notes pursuant to this Offering Circular.

Certain United States Federal Income Tax Consequences

The following discussion summarizes the material U.S. federal income tax consequences of the acquisition, ownership, and disposition of the Notes. The discussion is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code") its legislative history, judicial authority, current administrative rulings and practice, and existing and proposed Treasury Regulations, all as in effect and existing on the date hereof.

Legislative, judicial, or administrative changes or interpretations may alter or modify the validity of the statements and conclusions set forth below. Any such changes or interpretations may be retroactive, so as to result in U.S. federal income tax consequences different from those summarized below, and could adversely affect a holder of the Notes. Except as otherwise described herein, this discussion applies only to Notes held as capital assets (as defined in Section 1221 of the Code) by a person who is an initial holder purchasing Notes pursuant to this offering at the initial offering price. This discussion does not purport to deal with all aspects of U.S. federal income taxation that might be relevant to particular holders in light of their personal circumstances or status, including persons who sell their Target Notes pursuant to the Tender Offer, nor does it discuss the U.S. federal income tax consequences to certain types of holders subject to special treatment under the U.S. federal income tax laws, such as certain financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers or traders in securities, tax-exempt organizations, persons subject to alternative minimum tax, persons that hold Notes that are a hedge against, or that are hedged against, currency risk or that are part of an integrated investment (including a straddle) or as part of a conversion or repurchase transaction, accrual method taxpayers subject to special tax accounting rules as a result of their use of certain financial statements under Section 451(b) of the Code, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar or partnerships or other entities classified as partnerships for U.S. federal income tax purposes. Moreover, the effect of any applicable state, local or non-U.S. tax laws, the Medicare tax on investment income or any U.S. federal tax laws other than with respect to income taxation, is not discussed.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust the administration of which is subject to the primary supervision of a court within the United States and with respect to which one or more U.S. persons have the authority to control all substantial decisions of the trust. For purposes of this discussion, a "non-U.S. Holder" is a beneficial owner of Notes, other than a partnership (or other entity classified as a partnership for U.S.

federal income tax purposes), that is not a U.S. Holder. The U.S. federal income tax treatment of a partner in a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) that holds Notes generally will depend on such partner's particular circumstances and on the activities of the partnership. Partners in such partnerships should consult their own tax advisors.

Contingent Payment Debt Instrument

In certain circumstances (see "*Description of the Notes—Optional Redemption*"), the Republic may be obligated to pay additional amounts to optionally redeem the Notes. These potential payments may implicate the provisions of the U.S. Treasury regulations relating to "contingent payment debt instruments." Under these U.S. Treasury regulations, however, one or more contingencies will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, such contingencies in the aggregate are considered "remote" or "incidental." Although not free from doubt, the Republic intends to take the position that the possibility of paying additional amounts upon an optional redemption should not cause the Notes to be treated as contingent payment debt instruments for U.S. federal income tax purposes. The Republic's determination generally is binding on a holder unless such holder discloses its contrary position in the manner required by the applicable U.S. Treasury regulations. The Republic's determination is not, however, binding on the IRS. It is possible that the IRS may take a different position from that described above, in which case, if such position is sustained, the timing and amount of income included and the character of the income recognized with respect to the Notes may be materially and adversely different from the consequences discussed herein. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes. You should consult your own tax advisors regarding the possible application of the contingent payment debt instrument rules to the Notes.

U.S. Holders

Payments of Interest. Interest payments on the Notes will be taxable as ordinary interest income to a U.S. Holder when received or accrued in accordance with such holder's regular method of accounting for U.S. federal income tax purposes, and such income will include any tax withheld from interest payments notwithstanding that such withheld amount is not in fact received by such U.S. Holder. A U.S. Holder will also be required to include in income any Additional Amounts paid or accrued (in accordance with such method of accounting) with respect to the Notes. It is expected, and this discussion assumes, that the Notes will be issued without original issue discount ("OID") for U.S. federal income tax purposes. In the event the Notes are issued with OID at or above a de minimis threshold, a U.S. Holder will be required to include OID in gross income, as ordinary income, on a constant-yield basis over the life of the Notes before the receipt of cash attributable to such income, regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. Interest income on a Note generally will constitute foreign source income and, depending on the U.S. Holder's circumstances, generally will be considered "passive" or "general" income, which, in either case, is treated separately from other types of income in computing the foreign tax credit allowable to U.S. Holders under U.S. federal income tax laws. If any foreign income taxes are imposed in respect of payments on the Notes, the U.S. Holder may be eligible, subject to a number of complex limitations, for a deduction or a foreign tax credit. Investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange, Redemption or Other Disposition. The sale, exchange, redemption or other disposition of a Note will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder will recognize taxable gain or loss equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received upon such sale, exchange, redemption or other disposition (except to the extent that such cash or property is attributable to accrued interest, which amount will be taxable as ordinary income to the extent not previously included in gross income) and (ii) the U.S. Holder's tax basis therein. A U.S. Holder's tax basis in a Note generally will be equal to the purchase price paid by such U.S. Holder for such Note, reduced by any previous payments of principal. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Note will have been held by the U.S. Holder for more than one year at the time of such sale, exchange, redemption or other disposition. Long-term capital gains may be taxed at a lower rate than ordinary income for certain non-corporate U.S. Holders (including individuals). The ability of a U.S. Holder to deduct a capital loss is subject to limitations under the Code.

Gain or loss realized by a U.S. Holder on the sale, exchange, redemption or other disposition of a Note will generally be treated as U.S. source gain or loss for U.S. foreign tax credit purposes.

Foreign Financial Asset Reporting. Certain U.S. Holders are subject to reporting requirements on their ownership of certain foreign financial assets, including debt of foreign entities, if the aggregate value of all of these assets exceeds U.S.$50,000 at the end of the taxable year (or U.S.$75,000 on any day during the taxable year). The Notes are expected to constitute foreign financial assets subjects to these requirements unless the Notes are held in an account at a financial institution. U.S. Holders should consult their tax advisors regarding the application of these reporting requirements to their ownership of the Notes.

Non-U.S. Holders

A non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to the receipt of interest on the Notes, or gain realized on the sale or other disposition of Notes, unless (i) the interest or gain is treated as effectively connected with the conduct by such holder of a trade or business in the United States (and, if an income tax treaty applies, the interest or gain is attributable to a permanent establishment maintained by the non-U.S. Holder in the United States), or (ii) in the case of gain derived by an individual, such individual is present in the United States for 183 days or more in the taxable year and certain other conditions are met. If a non-U.S. Holder is described in (i) above, it will be subject to tax on the interest or gain in the same general manner as if the non-U.S. Holder were a U.S. Holder, unless an applicable income tax treaty provides otherwise, and if a non-U.S. Holder is a foreign corporation it may be subject to an additional branch profits tax equal to 30% (or lesser rate as may be specified under an applicable income tax treaty) on its effectively connected earnings and profits (subject to certain adjustments). If a non-U.S. Holder is an individual described in (ii) above, such holder will be subject to a flat 30% tax (subject to reductions under an applicable income tax treaty) on the gain, which may be offset by U.S. source capital losses, even though such holder is not considered a resident of the United States.

Information Reporting and Backup Withholding

The "backup" withholding and information reporting requirements may apply to certain payments of principal and interest on a Note and to certain payments of proceeds of the sale or other disposition of a Note. Backup withholding generally will apply if the holder fails to furnish its taxpayer identification number (social security number or employer identification number), to certify that such holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain holders (including, among others, most corporations) are not subject to the backup withholding and information reporting requirements. Under current Treasury Regulations, backup withholding and information reporting generally will not apply to payments made to a holder of a Note who has provided the required certification under penalties of perjury that it is not a U.S. Holder or has otherwise established an exemption.

Any amounts withheld under the backup withholding rules from a payment to a holder may be claimed as a credit against such holder's U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service.

OFFICIAL STATEMENTS

The information set forth herein is included on the authority of the Republic. The information included herein which is identified as being taken or derived from a publication of the Republic or one of its agencies or instrumentalities is included herein on the authority of each such publication, in each case, as a public official document of the Republic.

LEGAL MATTERS

The validity of the Notes will be passed upon on behalf of the Republic by the *Coordinador General Jurídico* of the Ministry of Economy and Finance of the Republic, Ecuadorian counsel to the Republic, and by Hogan Lovells US LLP, U.S. counsel to the Republic. The validity of the Notes will be passed upon on behalf of the Global Coordinators, Joint Bookrunners and Structuring Agents by Clifford Chance US LLP, U.S. counsel to the Global Coordinators, Bookrunners and Structuring Agents and by Perez Bustamante & Ponce, Ecuadorian counsel to the Global Coordinators, Bookrunners and Structuring Agents.

As to all matters of Ecuadorian law, Hogan Lovells US LLP will rely on the opinion of the *Coordinador General Jurídico* of the Ministry of Economy and Finance of the Republic, and Clifford Chance US LLP will rely upon the opinion of Pérez Bustamante & Ponze.

In connection with the issuance of the Notes, the Attorney General will issue a "Pronouncement" in relation to each of the Indenture, the Purchase Agreement and the Notes which will constitute the required authorizations for the Ministry of Economy and Finance to be able to agree to the laws of the State of New York as the governing law of the Indenture, the Purchase Agreement and the Notes, as well as the submission to arbitration provisions set out therein.

Local counsel to the Global Coordinators, Joint Bookrunners and Structuring Agents have confirmed that the provision of the legal opinion from the *Coordinador General Jurídico* of the Ministry of Economy and Finance and the Pronouncement are fully compliant from an Ecuadorian law perspective.

GENERAL INFORMATION

1. The Regulation S Global Notes and the Restricted Global Notes have been accepted for clearance and settlement through Euroclear and Clearstream.

The ISINs and Common Codes are as follows:

2034 Notes	Rule 144A: ISIN: XS3285368380 Common Code: 328536838 Regulation S: ISIN: XS3285368620 Common Code: 328536862
2039 Notes	Rule 144A: ISIN: XS3283442625 Common Code: 328344262 Regulation S: ISIN: XS3283442112 Common Code: 328344211

2. The Republic's legal entity identifier is 5299003Y2U5XK0A35H71.

3. The Republic has obtained all necessary consents, approvals and authorizations of the Republic in connection with the issue and performance of the Notes. The issue of the Notes was authorized by the Republic's Debt and Finance Committee under *Acta Resolutiva* No. CDF-RES-2026-001 dated January 16, 2026 and under *Acta Resolutiva* No. CDF-RES-2026-003 dated January 26, 2026.

4. The Republic is involved in certain litigation and administrative arbitration proceedings. See "*Legal Proceedings*."

6. On August 20, 2025, S&P Global Ratings affirmed the Republic's long-term sovereign credit rating at "B-" and revised the outlook to "stable." Moody's continues to rate the Republic at "Caa3" with a "stable" outlook (as of August 2025). Fitch Ratings affirmed the Republic's long-term foreign-currency issuer default rating at "CCC+" on August 7, 2025, before later upgrading its long-term sovereign rating to "B-" (assigning a Recovery Rating of RR3) on November 21, 2025.

Ratings are not a recommendation to purchase, hold or sell securities and may be changed, suspended or withdrawn at any time. The Republic's current ratings and the rating outlooks currently assigned to the Republic are dependent upon economic conditions and other factors affecting credit risk that are outside the control of the Republic. Any adverse change in the Republic's credit ratings could adversely affect the trading price for the Notes. Each rating should be evaluated independently of the others. Detailed explanations of the ratings may be obtained from the rating agencies.

8. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to have the Notes admitted to trading on the Euro MTF Market. So long as any of the Notes are listed on the Luxembourg Stock Exchange, the Republic will maintain a paying agent.

9. Copies of the following documents may be obtained, free of charge, on any business day (Saturdays, Sundays and public holidays excepted) at the office of the Paying Agent, so long as any of the Notes are listed on the Luxembourg Stock Exchange:

(a) the Indenture incorporating the forms of Global Notes;

(b) this Offering Circular;

(c) the 2008 Constitution, and the Legislative Decrees of the Republic referred to in paragraph 2 above (in Spanish);

(d) the Republic's consolidated public sector fiscal accounts for the last calendar year (as and when available in English).

10. Other than as disclosed herein, including information that has been updated as of the date hereof there has been no material adverse change in the financial condition of the Republic which is material in the context of the issue of the Notes.

11. Save as disclosed in "*Legal Proceedings*," the Republic is not involved in any litigation or arbitration proceeding relating to claims or amounts which are material in the context of the issue of the Notes nor, as far as the Republic is aware, is any litigation pending or threatened.

ISSUER

The Republic of Ecuador
Ministry of Economy and Finance
Av. Amazonas entre Pereira y Unión Nacional de Periodistas
Plataforma Gubernamental de Gestión Financiera, Pisos 10 y 11
Quito, Ecuador

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New York, NY 10286
United States

PAYING AGENT AND ACCOUNT BANK

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Investors should rely only on the information contained in this Offering Circular or to which the Republic of Ecuador has referred investors. Ecuador has not, and the Global Coordinators, Joint Bookrunners and Structuring Agents have not, authorized anyone to provide information that is different from the information contained in this Offering Circular. This Offering Circular may only be used where it is legal to sell these Notes. The information in this Offering Circular may only be accurate on the date of this Offering Circular.

U.S.$4,000,000,000

The Republic of Ecuador
U.S.$2,200,000,000 8.750% Notes due 2034
U.S.$1,800,000,000 9.250% Notes due 2039

Global Coordinators, Joint Bookrunners and Structuring Agents

BofA Securities **Citigroup**

Financial Advisor to the Government

Centerview Partners

Offering Circular
January 26, 2026