



HUMBOLDT
MANAGEMENT

Ecuador Macro Report

Sample version

- The economic rebound has been slow. It is expected that by the end of 2022, the country will finally recover pre-pandemic level. Growth rates are still insufficient to recover the ground lost since 2015.
 - The country has successfully finalized the IMF programs started in 2019, implemented by two governments and four Ministers of Economy and Finance, a historic milestone.
 - Ecuador's macroeconomic strength is enviable as it registers twin surpluses, providing exceptional conditions for growth recovery.
- El rebote de la economía ha sido lento. Se espera que a fin de 2022, el país recupere finalmente el nivel pre-pandemia. Las tasas de crecimiento resultan aún insuficientes para recuperar el terreno perdido desde 2015.
 - El país ha logrado finalizar exitosamente los programas con el FMI iniciados en 2019, implementados por dos gobiernos y cuatro ministros de Economía y Finanzas, es un hito histórico.
 - La solidez macroeconómica de Ecuador es envidiable al registrar superávits gemelos lo que brinda condiciones excepcionales para la recuperación económica.

- Greater private investment in oil, mining, and the implementation of PPPs, must be encouraged as these sectors mobilize large capitals and would boost the economy, at a time when the world is facing a recessive environment.
 - A better execution of public policy, particularly in security, health and public works, would dissipate much of the political noise that darkens the perception of sovereign risk.
 - Despite the challenges posed by recent corruption allegations, the government is likely to win a victory in the referendum, giving the President political breathing space.
- La tarea pendiente es fomentar mayor inversión privada en petróleo, minería y la implementación de APP, que son los sectores que movilizan grandes capitales y dinamizarían la economía nacional en un momento donde el mundo enfrenta un ambiente recesivo.
 - Una mejor ejecución de política pública en particular en seguridad, salud e obra pública disiparía mucho del ruido político que ensombrece la percepción del riesgo soberano.
 - Pese a los retos que representan las recientes alegaciones de corrupción, es probable que el gobierno consiga una victoria política en la consulta popular, brindando una bocanada de aire al Presidente.

Global outlook

Global growth is expected to decelerate sharply to 1.7% in 2023, from 2.9% in 2022.

Global GDP growth projections have been lowered, primarily in response to the policy tightening aimed at containing very high inflation, worsening financial conditions, and continued disruptions from Russia's invasion of Ukraine.

Amid downturns in output and demand on a global scale, global manufacturers signaled a further moderation in both price and supply pressures in December.

Energy prices fell -6.2% in December, led by crude oil (-10.7%). Non-energy prices gained 1.0%.

Perspectiva Global

Se prevé que el crecimiento global se desacelere hasta el 1.7% este año, desde el 2.9% registrado en 2022.

La revisión a la baja en las previsiones de crecimiento del PIB mundial responden al endurecimiento de las políticas encaminadas a contener una elevada inflación, el empeoramiento de las condiciones financieras y las continuas perturbaciones derivadas de la invasión de Ucrania por Rusia.

En este contexto de caída de la producción y la demanda mundial, los fabricantes señalaron en diciembre la relajación de las presiones tanto sobre los precios de las materias primas como en la cadena de suministros.

Los precios de la energía cayeron un -6.2% al cierre de año, mientras que los precios no energéticos subieron un 1.0%.

Local outlook - Ecuador

Growth slows, although slower than anticipated due to liquidity boost. Investment remains at very low levels, while consumer spending remains resilient due to ample credit availability. Imports are growing faster than GDP.

As of November, the Trade Balance recorded a surplus of \$2,128 million, driven by a positive oil balance (\$3,656 million), which was offset by a deficit of \$1,527 million in the non-oil balance.

The financial sector shows solid financial indicators. Total deposits and loans continue to grow, but at a slower pace.

Inflation has slowed in last months, reaching an annual rate of 3.7% in December 2022. The main item contributing to this growth is food (+7.6%).

A fiscal deficit of \$2.3 Bn (-1.9% of GDP) is expected in the budget for 2023, and the estimated financing needs will reach US\$ 7.6 Bn (6.2% of GDP).

Perspectiva Local - Ecuador

A nivel local el crecimiento se ralentiza, aunque más lentamente de lo previsto, debido al boom de liquidez. La inversión se mantiene en niveles muy bajos, mientras que el consumo de los hogares resiste gracias a la disponibilidad de crédito. Las importaciones en los últimos trimestres crecen a un ritmo mayor al PIB.

A noviembre, la balanza comercial registró un superávit de \$2,128M, impulsados por una balanza petrolera positiva (\$3,656M) que fue compensada por un déficit de \$1,527M en la balanza no petrolera.

El sector financiero muestra sólidos indicadores financieros. Los depósitos y préstamos totales continúan creciendo pero a un ritmo más lento.

La inflación anual se ha desacelerado, alcanzado el 3.7% a diciembre. Los alimentos con una inflación de 7.6% es la categoría que más contribuye al aumento total.

Para el 2023 se prevé un déficit fiscal de \$2.3 Bn (-1.9% del PIB) y se estiman unas necesidades de financiamiento de US\$ 7.6 Bn (6.2% del PIB.)

Section 1. Global Outlook / Perspectiva Global

Section 2. Regional Outlook / Perspectiva Regional

Section 3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Section 4. Forecast 2023 / Pronósticos 2023

DEMO

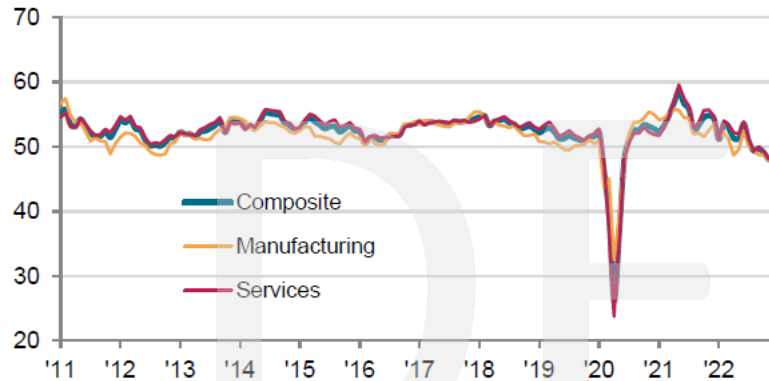
1. Global Outlook / Perspectiva Global

Downturn in global economic activity continues at end of 2022

J.P.Morgan Global Composite PMI

- Composite Output Index
- Manufacturing Output Index
- Services Business Activity Index

sa, >50 = growth since previous month



Sources: J.P.Morgan, S&P Global.

Composite Index summary

sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Nov-22	Dec-22	Interpretation
Output	48.0	48.2	Decline, slower rate
New Business	47.8	47.7	Decline, faster rate
New Export Business	46.6	46.6	Decline, same rate
Future Output*	60.1	60.9	Growth expected, better optimism
Employment	50.3	50.2	Growth, slower rate
Outstanding Business	47.9	48.2	Decline, slower rate
Input Prices	63.0	59.7	Inflation, slower rate
Output Prices	55.7	55.1	Inflation, slower rate

Source: J.P. Morgan

The J.P.Morgan Global Composite Output Index posted 48.2 in December, up a few ticks from November's 29-month low of 48.0. Output decreased for the fifth successive month, as new order intakes fell at the fastest pace in over two-and-a-half years.

India and Ireland were the only nations to register growth of economic activity in December. Japan registered a stabilisation in output, while the US, China, euro area, UK, Brazil, Russia and Australia all saw downturns. The US fell to last-place in the PMI Output Index league table.

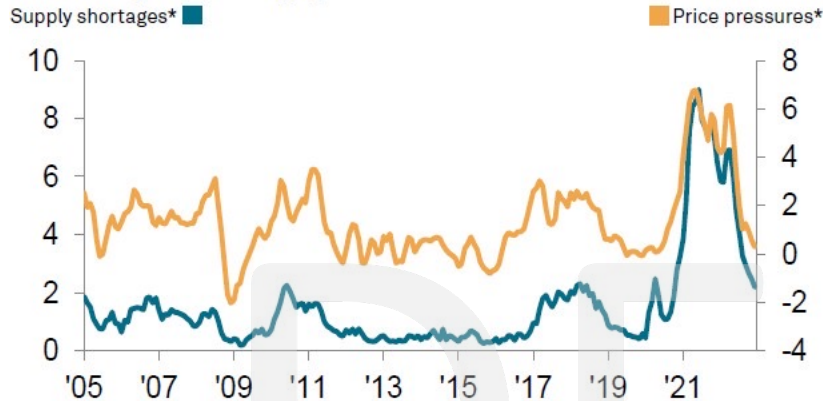
El índice de producción global compuesto de JP Morgan se situó en 48.2 puntos en diciembre, ligeramente sobre el mínimo de 29 meses registrado en noviembre. La producción global disminuyó por quinto mes consecutivo, ya que la entrada de nuevos pedidos cayó al ritmo más rápido en más de dos años y medio.

India e Irlanda fueron los únicos países que registraron un crecimiento de la actividad económica en diciembre. Japón registró una estabilización de la producción, mientras que EE.UU., China, la Zona Euro, el Reino Unido, Brasil, Rusia y Australia registraron descensos. Estados Unidos cayó al último puesto de la clasificación del índice PMI de producción.

1. Global Outlook / Perspectiva Global

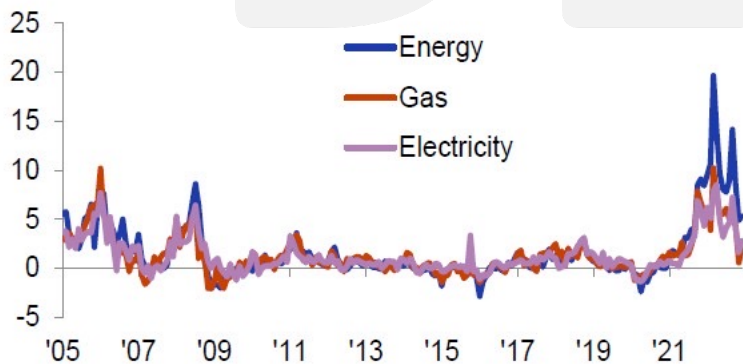
Global price and supply pressures ease December

Commodity Price & Supply Pressures: All Items



Source: S&P Global.
*multiple of long-run average

Global Price Pressures Index: Energy, Oil and Electricity



Source: S&P Global.
*multiple of long-run average

Amid downturns in output and demand on a global scale, global manufacturers signalled a further moderation in both price and supply pressures in December.

- Falling for the third month in a row, the Global Price Pressures Index dropped to its lowest level in two-and-a-half years during December (0.3).
- In line with the picture for prices, the Global Supply Shortages Index declined for the eighth consecutive month to reach a 26-month low.

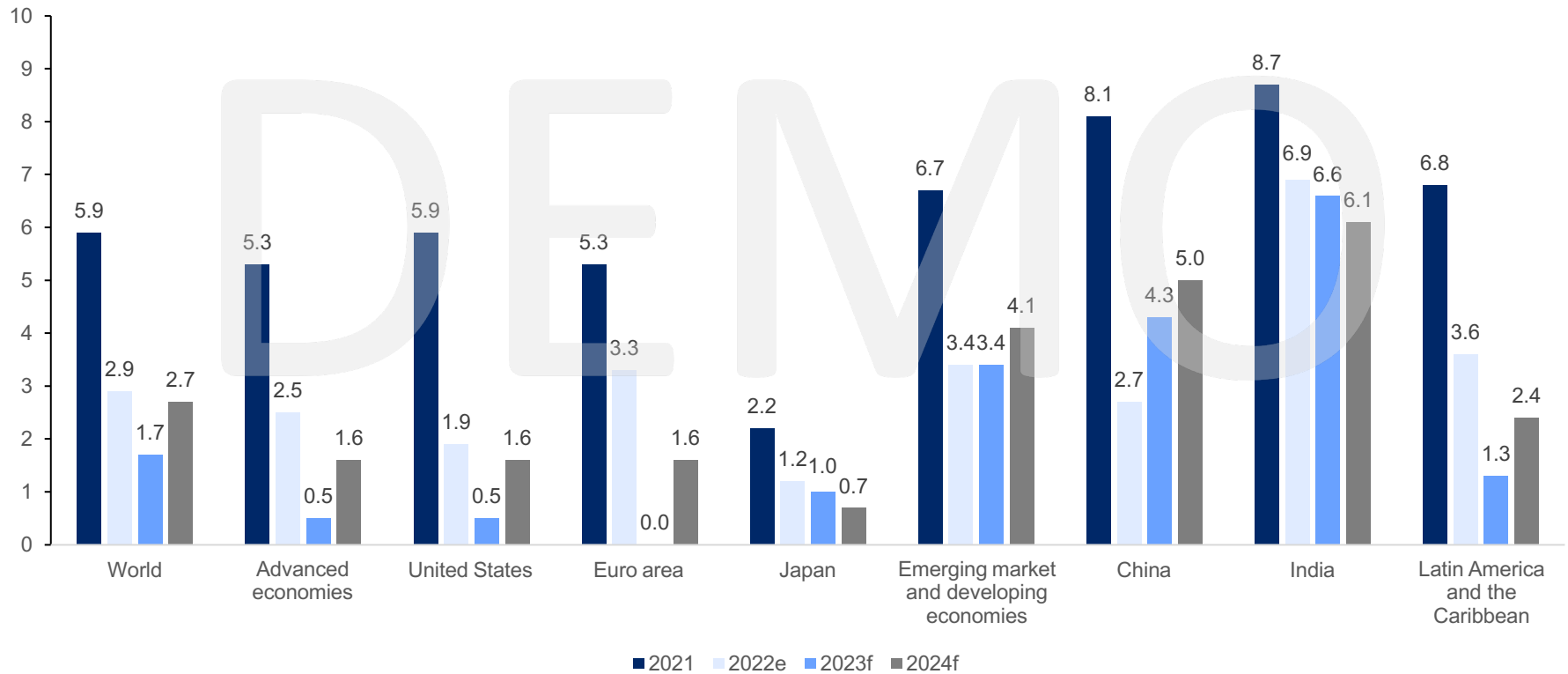
En medio de la desaceleración en la producción y la demanda a escala mundial, los datos de noviembre indicaron presiones más suaves sobre los precios y la oferta en todo el sector manufacturero mundial.

- Por tercer mes consecutivo, el Índice Global de Presión sobre los Precios cayó en diciembre, su nivel más bajo en dos años y medio (0.3).
- En consonancia con el panorama de los precios, el Índice Global de Escasez de Suministros descendió por octavo mes consecutivo hasta alcanzar su nivel más bajo en 26 meses.

1. Global Outlook / Perspectiva Global

Global Growth is forecast to slow to 1.7% in 2023, from 2.9% in 2022

Real GDP Growth Rates %
2021-22 and projections for 2023-24

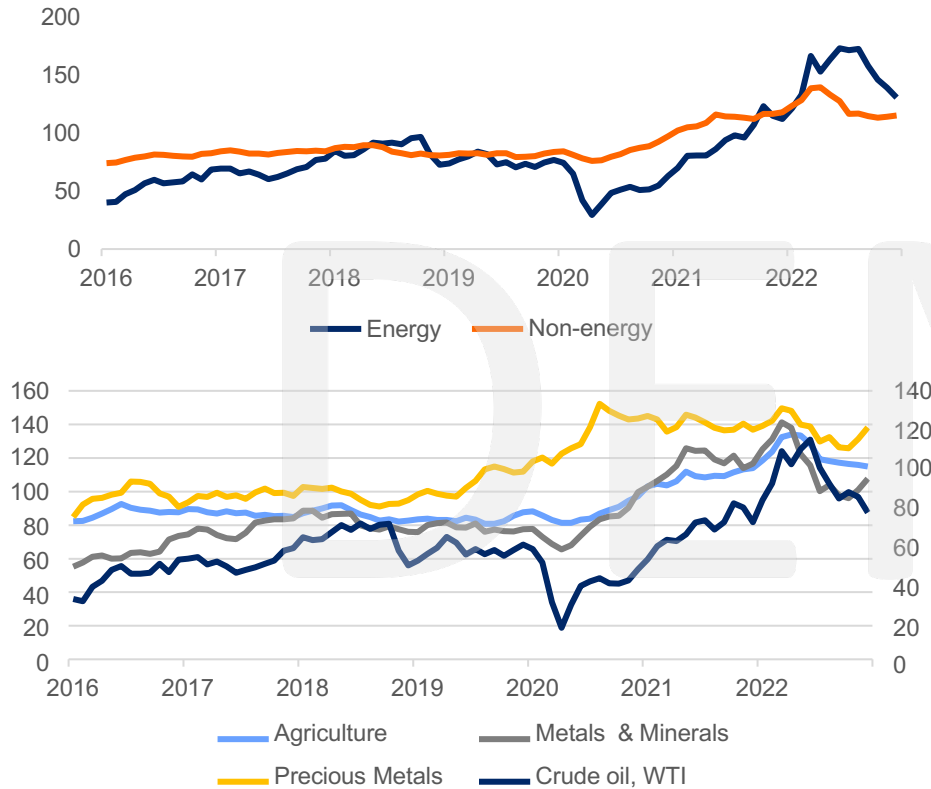


Source: World Bank – Global Economic Prospects January 2023

1. Global Outlook / Perspectiva Global

Commodity prices have softened over the last quarter

World Bank Commodity Price Indices



	Energy	Non-energy	Agriculture	Metals & Minerals	Precious Metals	Crude oil, WTI
MoM%	-6.2%	1.0%	-0.7%	6.6%	5.2%	-9.7%
YoY%	16.4%	-2.4%	1.0%	-7.8%	1.0%	7.0%
YtD%	16.4%	-2.4%	1.0%	-7.8%	1.0%	7.0%

Source: World Bank

Energy prices fell -6.2% in December, led by crude oil (-10.7%). Non-energy prices gained 1.0%.

Among the key subgroups: agriculture commodities eased -0.7%, metals & minerals gained 6.6%, precious metals prices increased 5.2% and WTI fell -9.7%.

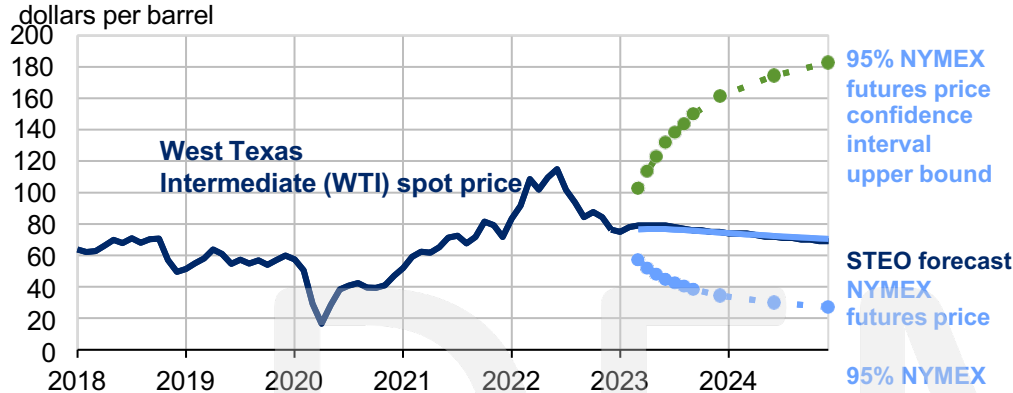
Los precios de la energía cayeron -6.2% en diciembre, impulsados por la reducción de -10.7% del precio del petróleo. Los precios no energéticos se incrementaron en 1.0%.

Entre los principales subgrupos: los precios de las materias primas agrícolas cayeron un -0.7%, los metales y minerales se incrementaron en **6.6%**, los precios de los metales preciosos aumentaron en 5.2%, mientras que el WTI cayó en -9.7%.

1. Global Outlook / Perspectiva Global

Spot oil prices continued their downward trend in December

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals



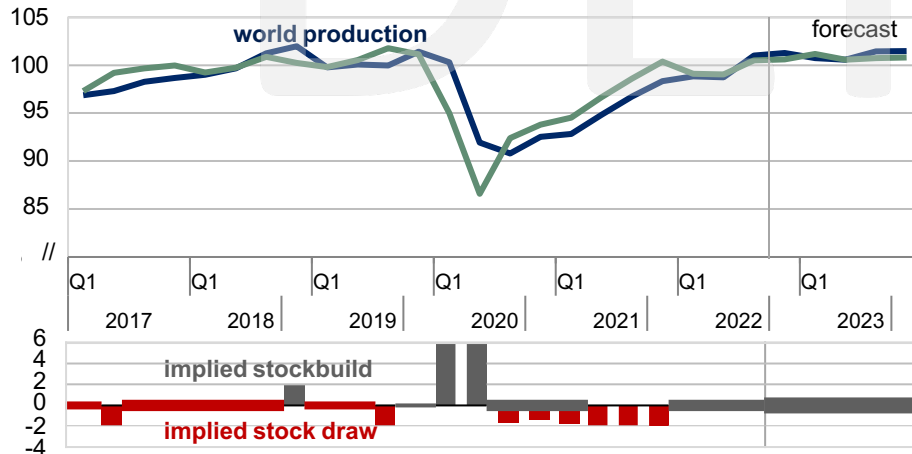
Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2023, CME Group, Bloomberg, L.P., and Refinitiv an LSEG Business

Crude oil prices were pressured by growing concerns about an economic slowdown that dampened market sentiment, adding to uncertainty about the demand recovery in China.

Crude oil futures prices also dropped in December amid heavy selloffs in futures markets, a decline in major equity markets and elevated volatility, which offset risks related to supply disruption.

The EIA estimates an average oil price of 77 \$/b in 2023 and 72 \$/b in 2023.

World liquid fuels production and consumption balance



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook,



Los precios spot del petróleo crudo cayeron en diciembre, ante la creciente preocupación de una desaceleración económica que mermó la confianza del mercado, lo que se sumó a la incertidumbre sobre la recuperación de la demanda en China.

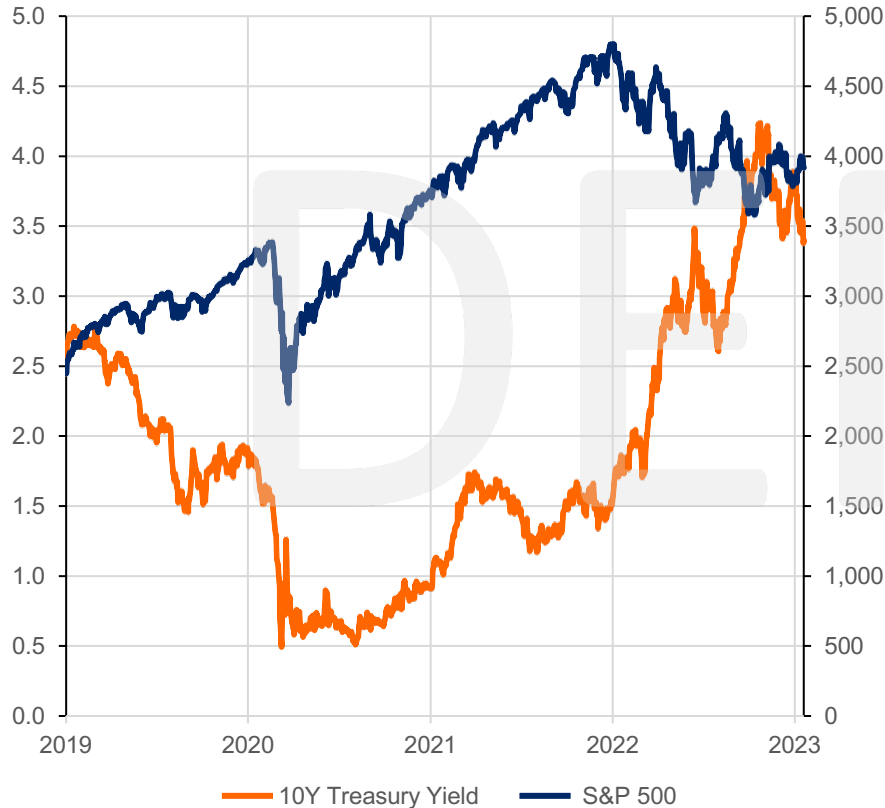
Los precios de los futuros del crudo también cayeron en medio de fuertes ventas en los mercados de futuros, un descenso en los principales mercados de renta variable y una elevada volatilidad, que contrarrestaron los riesgos relacionados con la interrupción del suministro.

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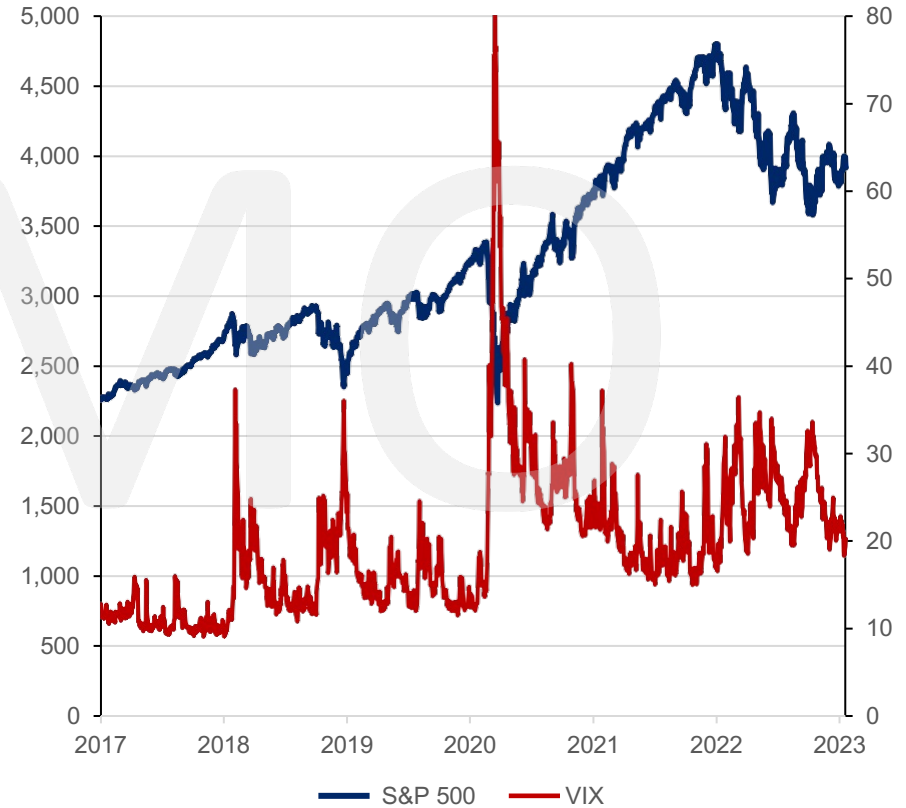
1. Global Outlook / Perspectiva Global

Market expectations about a FED pivot has increased risk appetite

S&P 500 vs 10y Treasury Yield



S&P 500 vs VIX Index

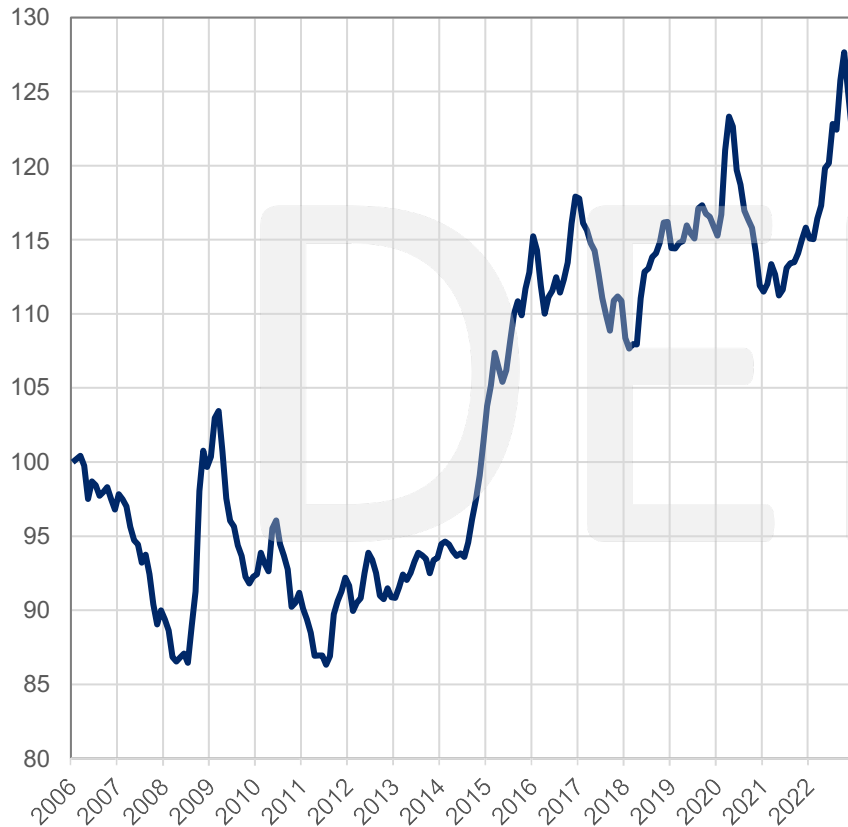


Source: Financial Times

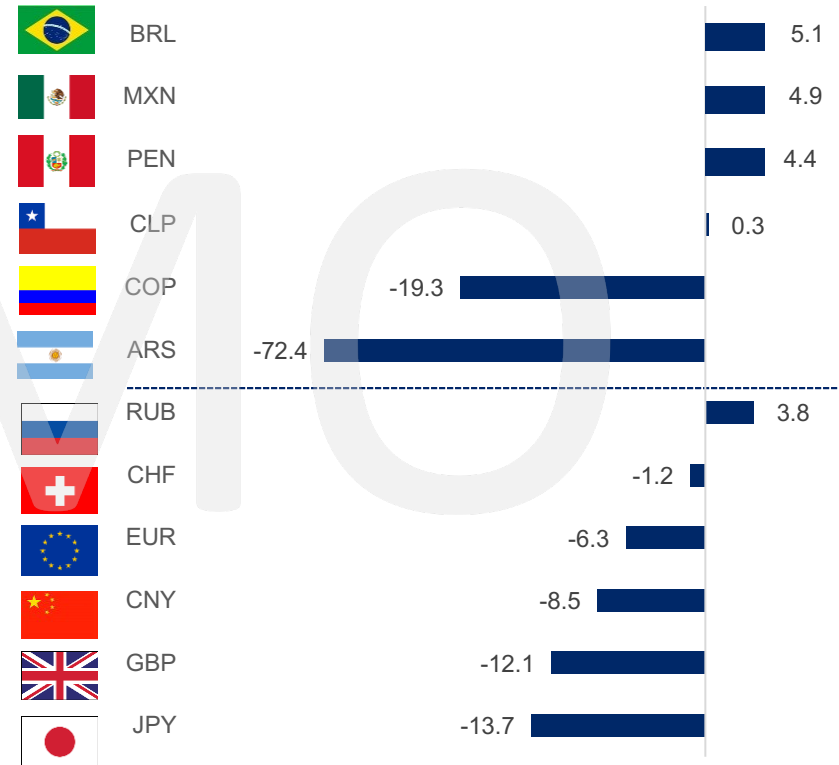
1. Global Outlook / Perspectiva Global

US dollar peaked in 2022 and has softened as markets expect lower interest rates and flock to risk assets

Nominal Broad U.S. Dollar Index
2006=100



Global Currencies vs. Dollar Y-to-D%
(Dec-22)



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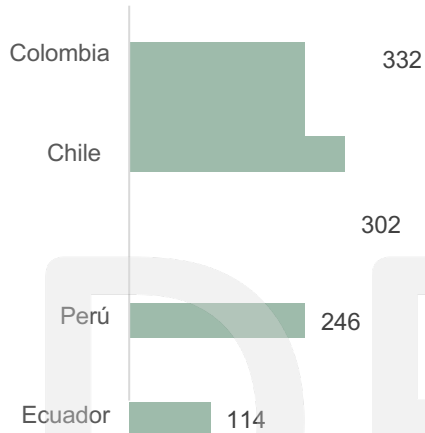
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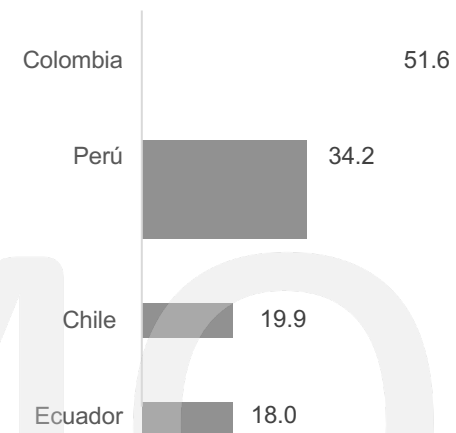
2. Regional Outlook / Perspectiva Regional

Selected Indicators

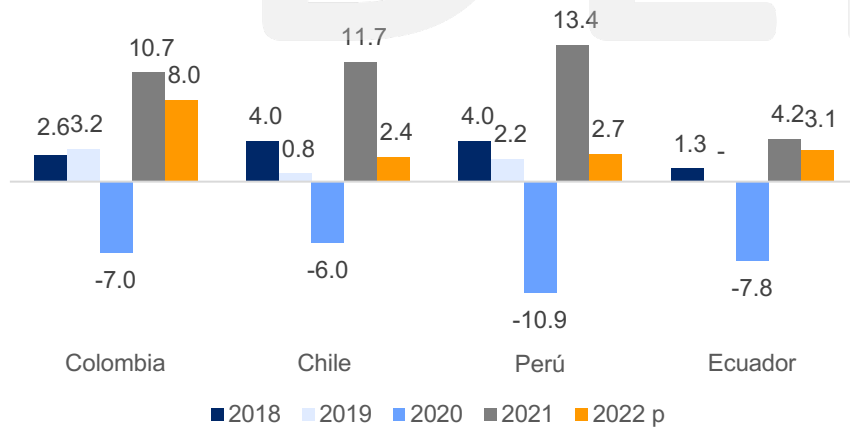
GDP, 2022 US\$MM



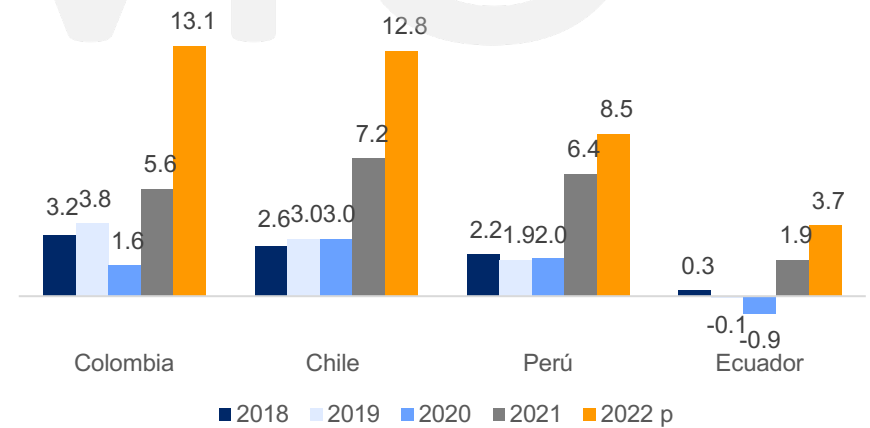
Population, 2022 MM



Real GDP Growth Rates %2018-22p



Inflation Rates %2018-22

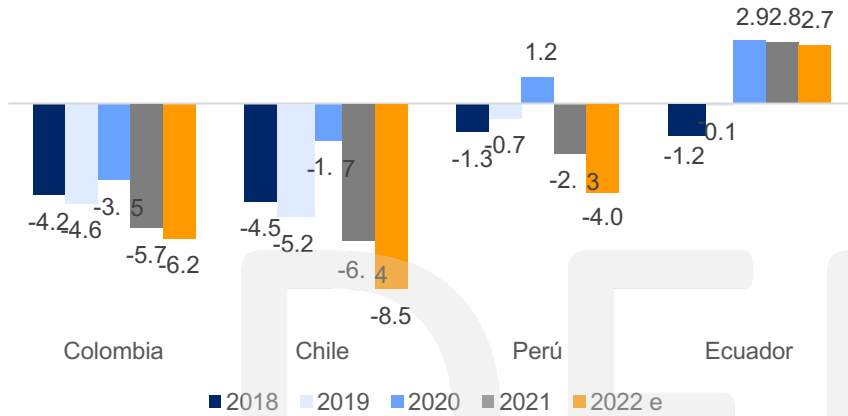


Sources: BCE, HM

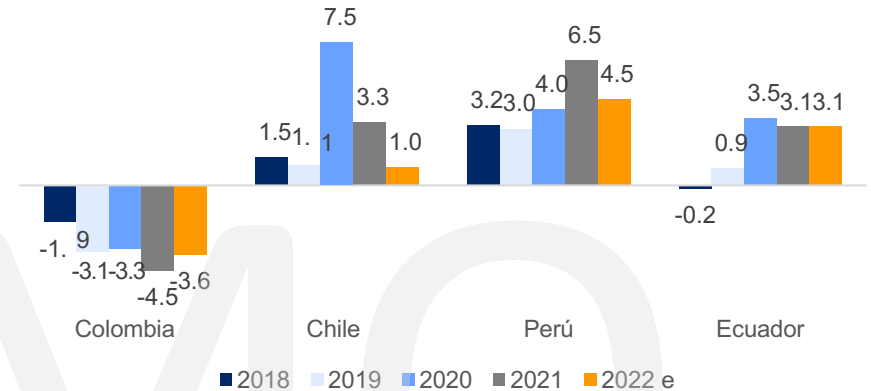
2. Regional Outlook / Perspectiva Regional

Selected Indicators

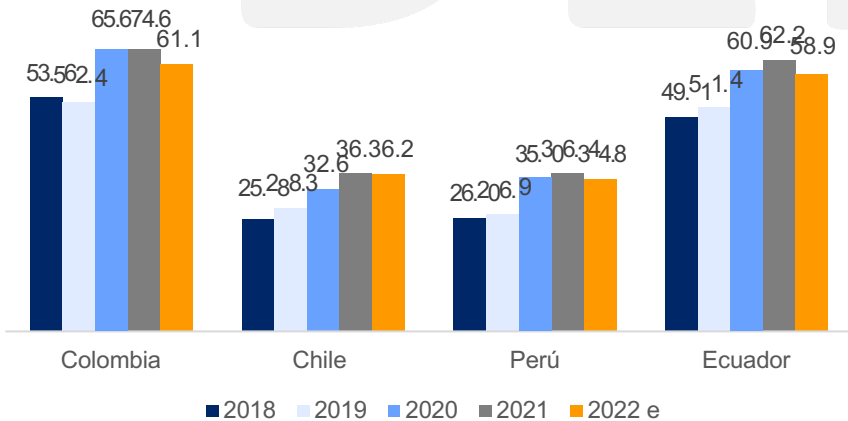
Current Account Balance (% of GDP)



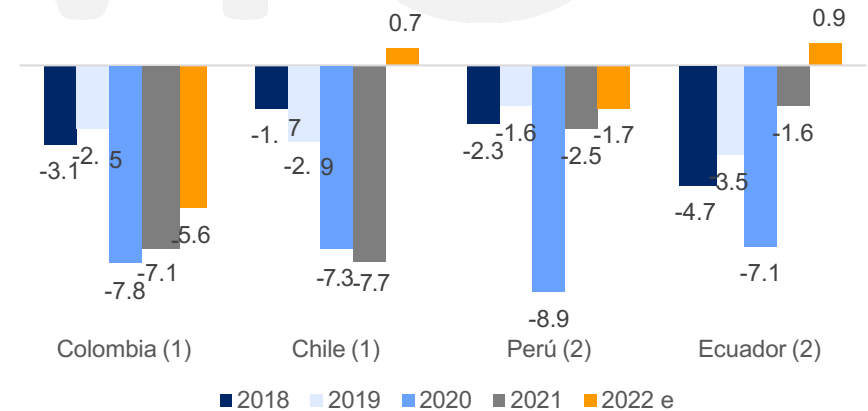
Merchandise Trade Balance (% of GDP)



General government gross debt (% of GDP)



Fiscal Balance (% of GDP)



Sources: BCE, BCRP, BCCL, DANE, IMF

1 Colombia & Chile: Central government.
2 Ecuador & Perú: Non-financial public sector.

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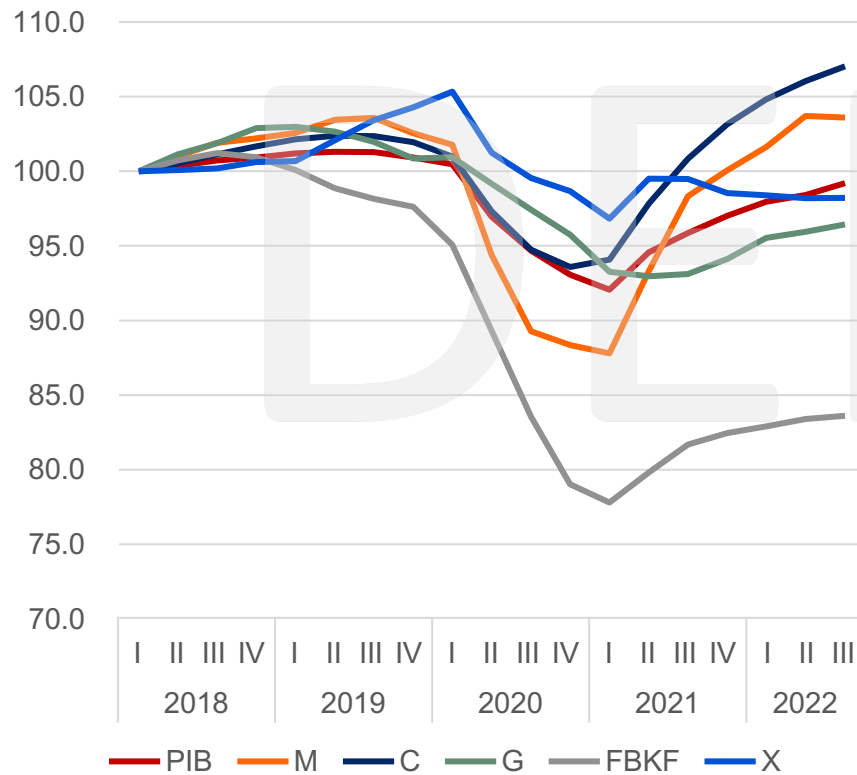
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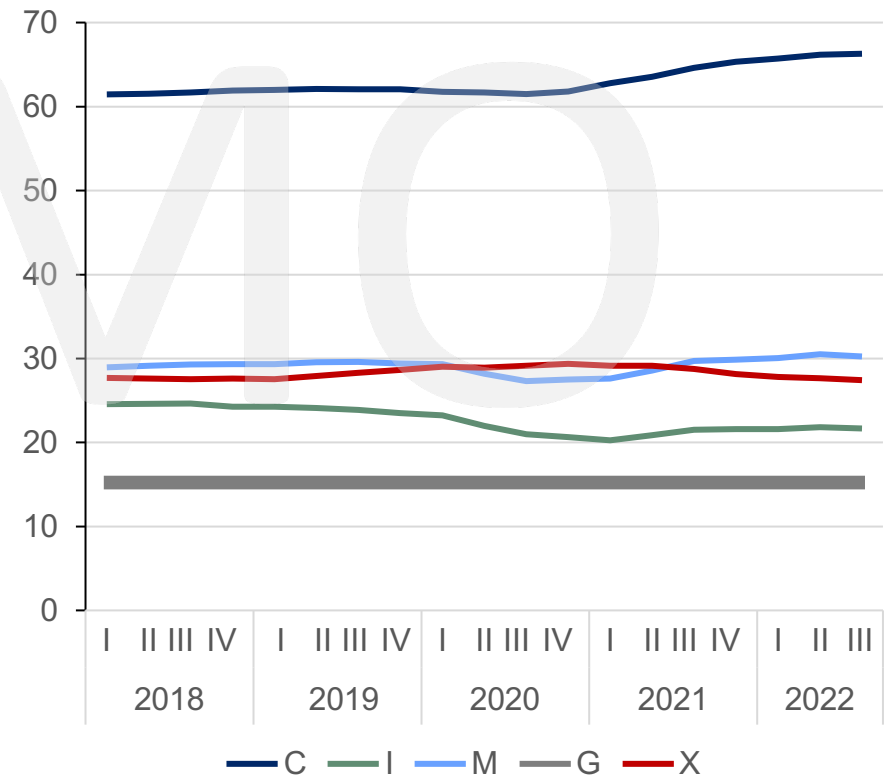
3. Domestic Outlook / Perspectiva Local

Growth slows, although slower than anticipated due to liquidity boost. Investment remains at very low levels, while consumer spending remains resilient due to ample credit availability. Imports are growing faster than GDP.

PIB Real 4 trimestres móviles
Índice Base 100 = Q1 2018



Componentes del Gasto (como % PIB)
Expenditure Categories as % of GDP



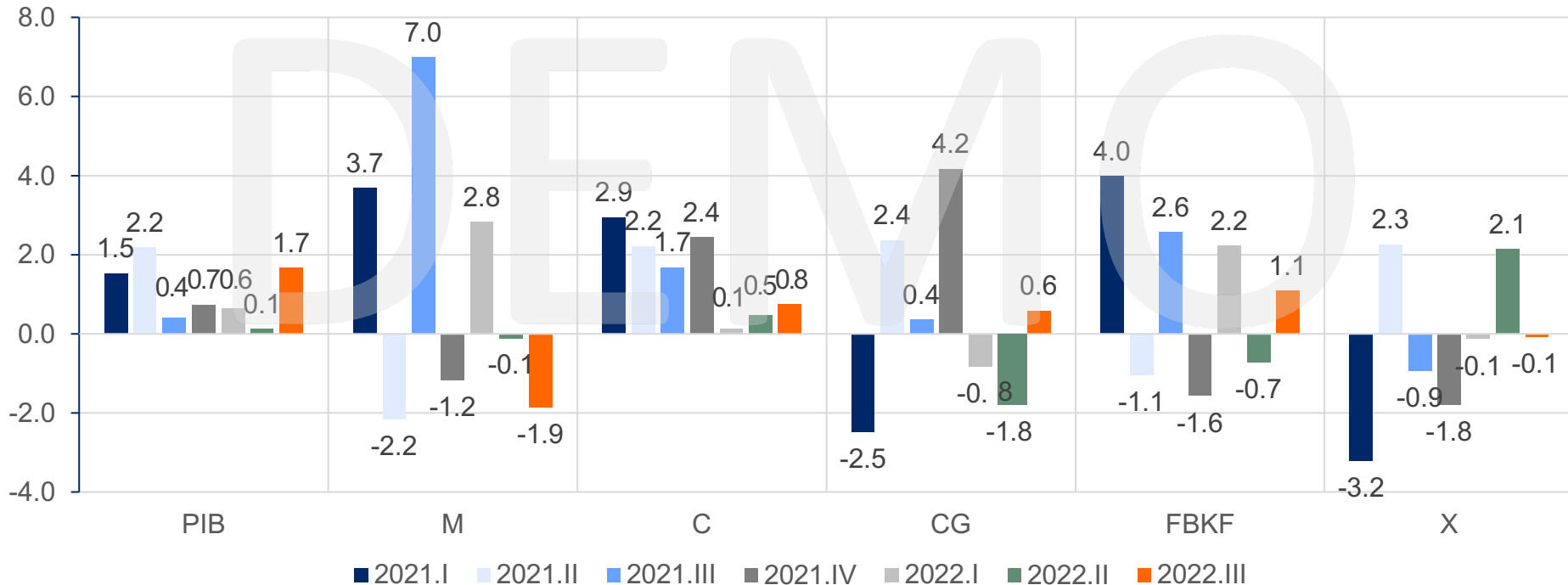
Sources: BCE, HM

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3. Domestic Outlook / Perspectiva Local

In Q3-2022 the output bounced from the trough occasioned by Jun-22 social unrest. The increase in real GDP (+1.7%) was mainly driven by lower imports (-1.9%), personal consumption expenditures growth (+0.8%), inventory change (+19.1%) and to a lesser extent by FBKF (+1.1%) and government spending (+0.6%), while exports contributed negatively (-0.1%).

Crecimiento del PIB t/t-1
GDP growth rate q/q-1



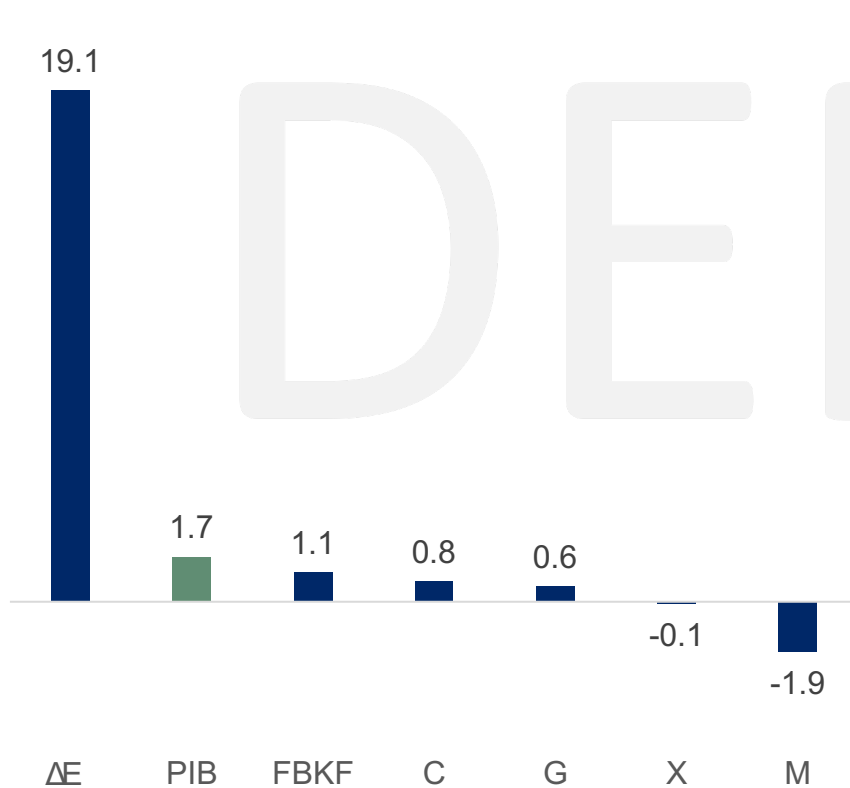
Sources: BCE, HM

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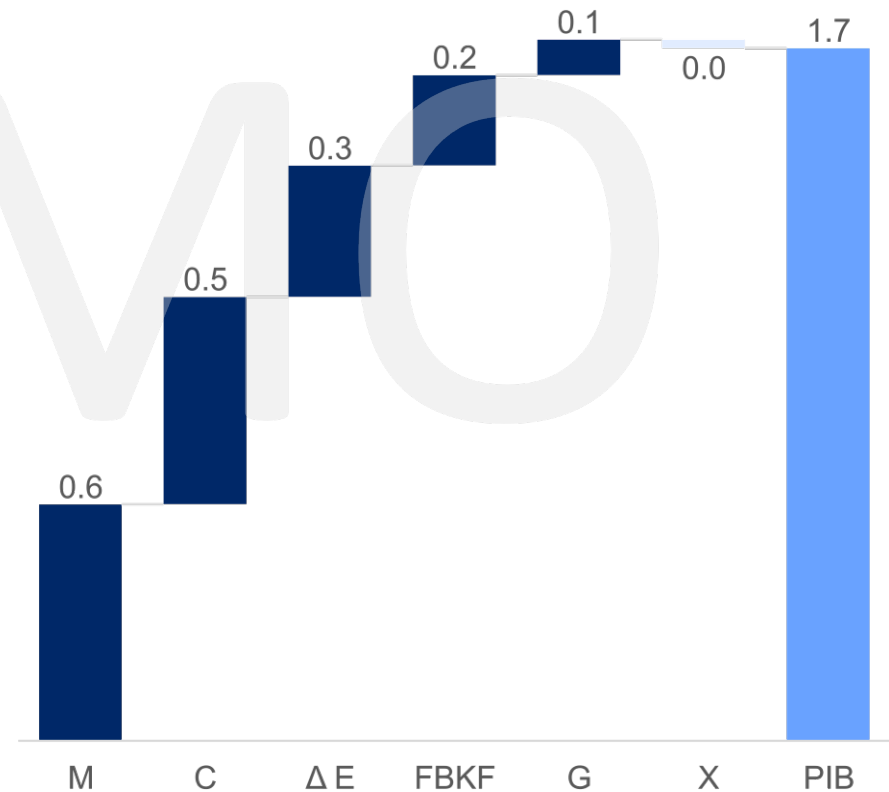
3. Domestic Outlook / Perspectiva Local

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Crecimiento del PIB Q3-2022 por componente
Q3-2022 GDP Growth Rate by categories



Contribuciones al crecimiento del PIB Q3-2022
Contributions to Percent Change in GDP Q3-2022



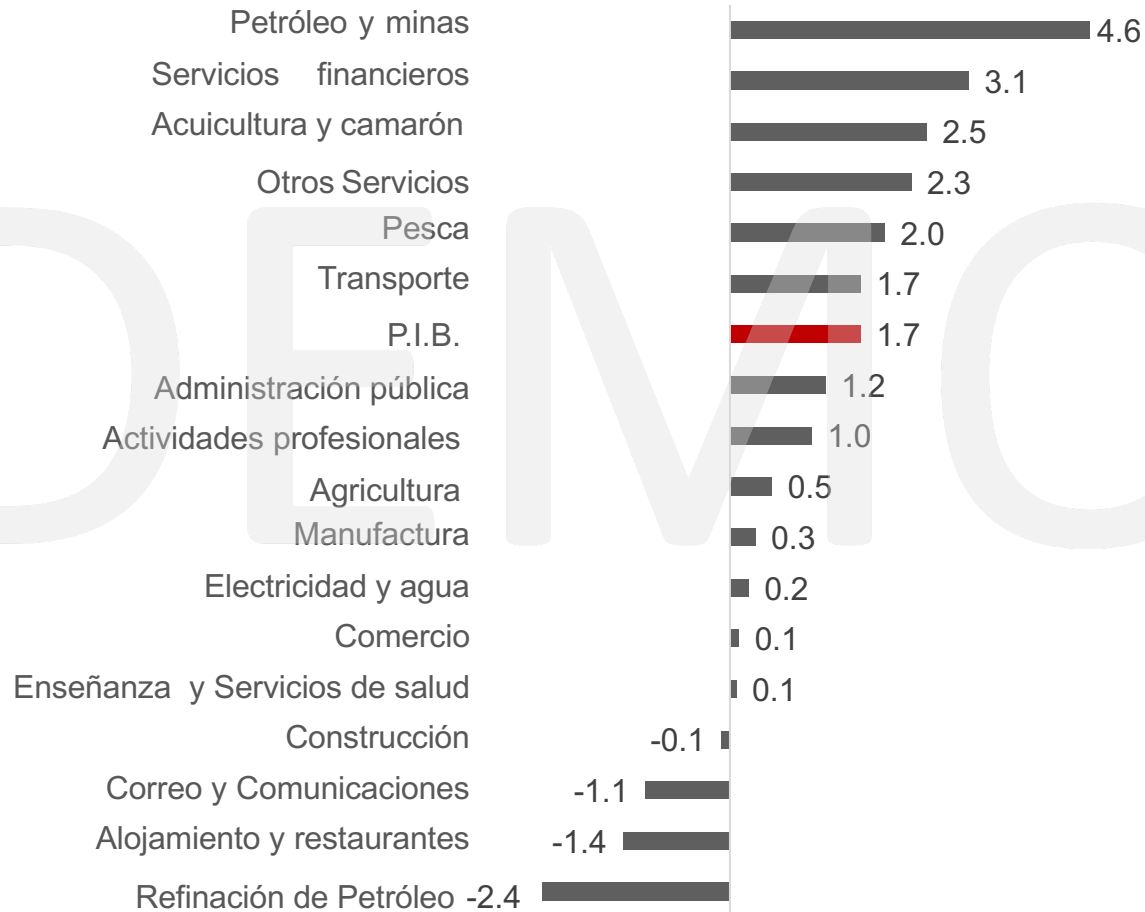
Sources: BCE, HM

3. Domestic Outlook / Perspectiva Local

Q3-2022 GDP Growth Rate by Industry

Crecimiento PIB Q3-2022 por Industria

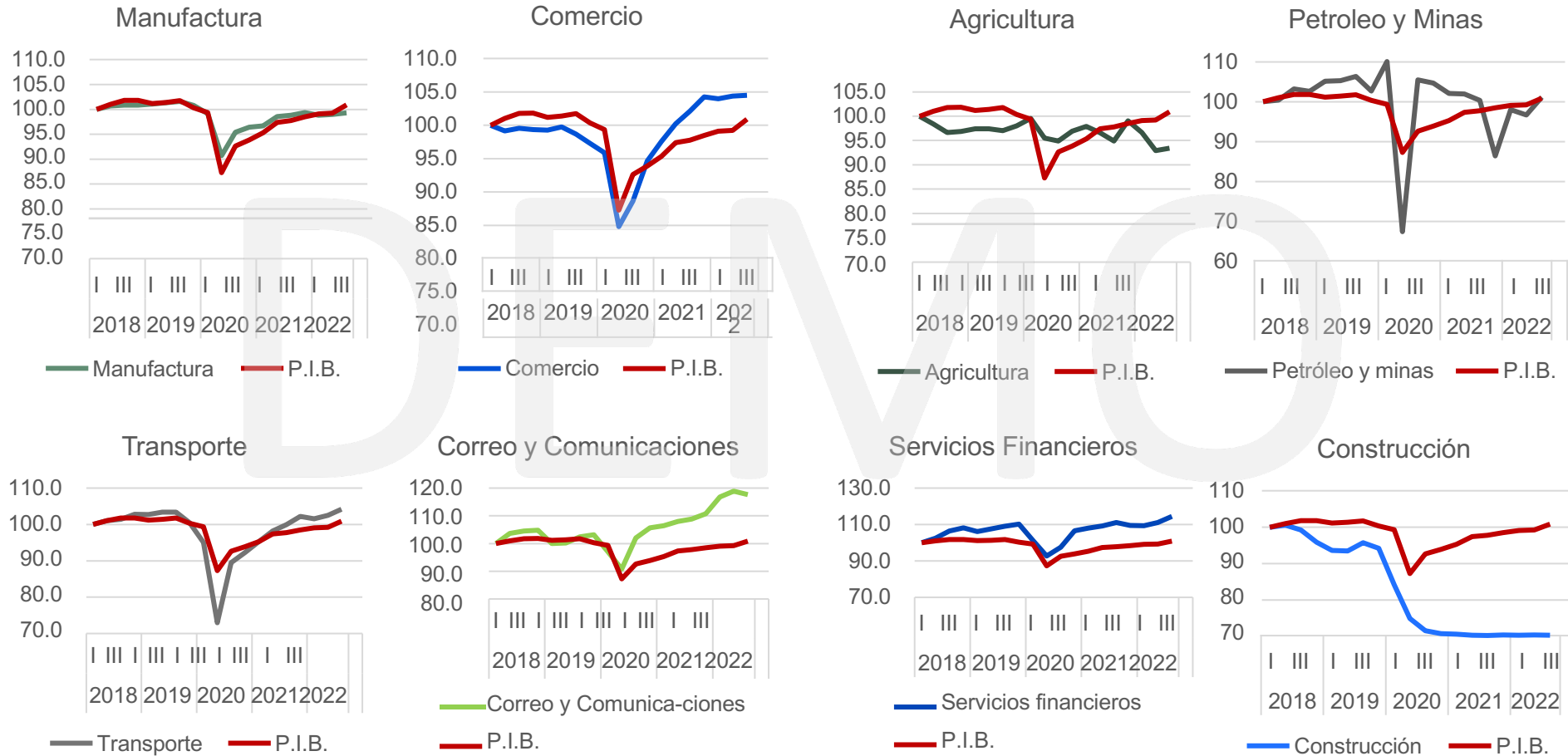
Q3-2022 GDP Growth by Industry



Sources: BCE, HM

3. Domestic Outlook / Perspectiva Local

Output Growth by Industry Base 100 = Q1 2018



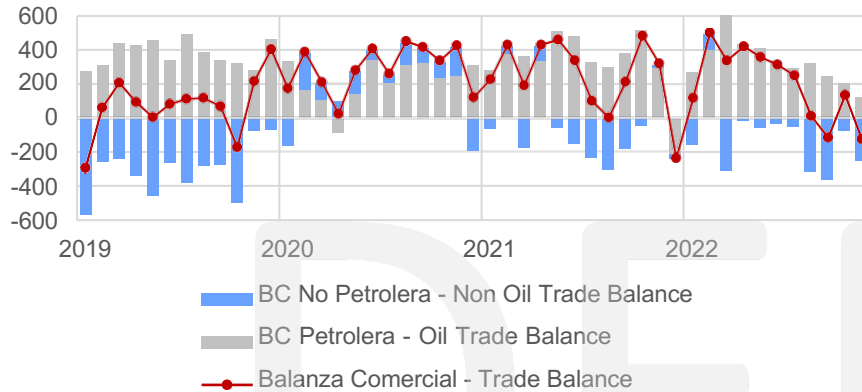
Sources: BCE, HM

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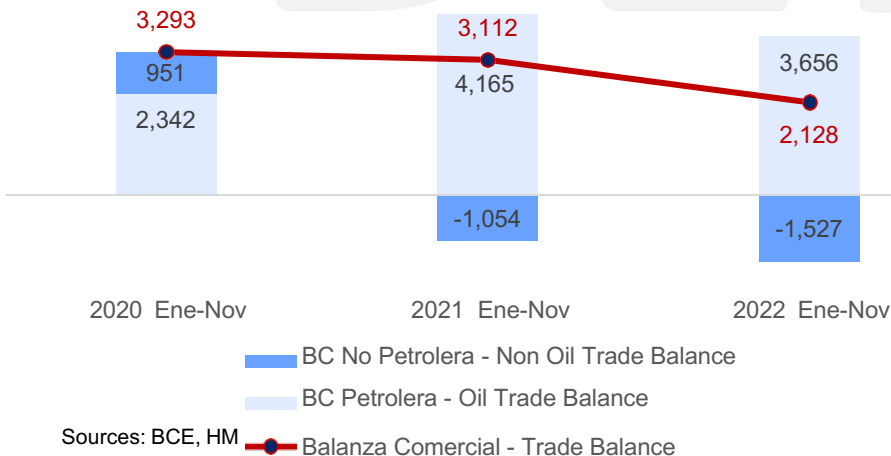
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

As of November, the Trade Balance has recorded a surplus of US\$ 2,128 million

Balanza Comercial Mensual - US\$M
Monthly Trade Balance -US\$M



Balanza Comercial Acumulada US\$M
Cumulative Trade Balance US\$M



As of November, the Trade Balance recorded a surplus of \$2,128 million, driven by a positive oil balance (\$3,656 million), which was offset by a deficit of \$1,527 million in the non-oil balance.

Total exports reached \$30,052M (+22.2% y-o-y), while total imports stood at US\$27,923M (30.0% y-o-y).

A Noviembre, la Balanza Comercial registró un superávit de \$ 2,128 millones, inferior a la registrada en 2021 pese al elevado precio del petróleo. El déficit de \$ 1,527 millones en la balanza no petrolera se incrementó en 50% pese al boom de camarón y de exportaciones mineras que no alcanza a compensar el boom de importaciones y el alto precio de los derivados.

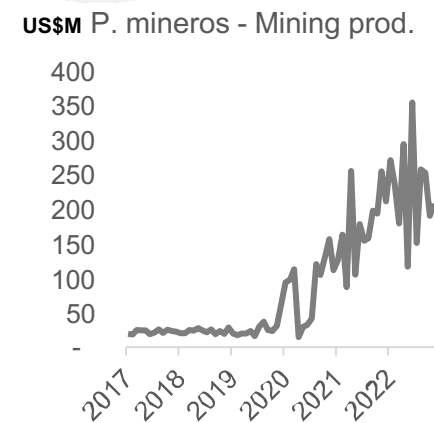
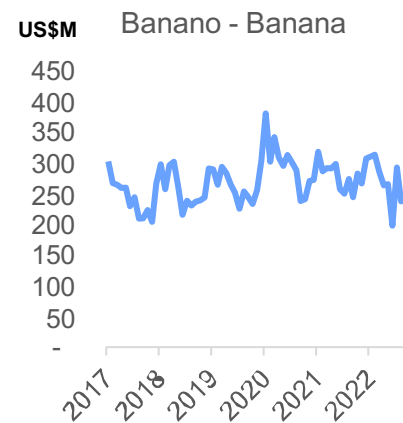
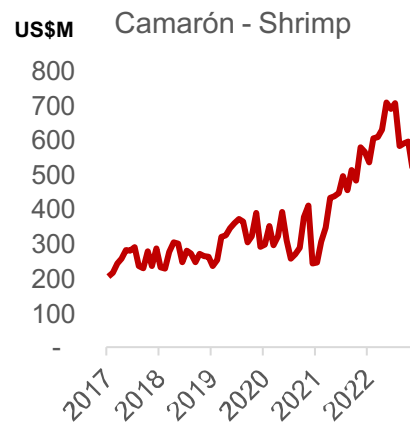
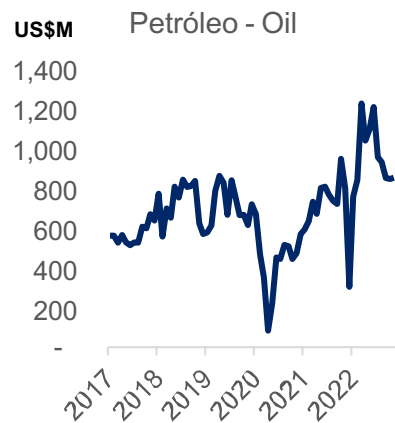
Las exportaciones totales alcanzaron los US\$ 30,052 M (+22.2% y-o-y), mientras que las importaciones totales se situaron en US\$ 27,923 M (30.0% y-o-y).

Sources: BCE, HM

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Top 4 export products in 2022 were: Oil, Shrimp, Banana & Mining Products, and together they account for 77% of exports
 The non-oil products with the highest growth in 2022 were: shrimp (+50%; +\$2,039M) and mining products (+42.9%; +\$639M)

Productos - Products	2022-11 US\$M	%	Variación - Change		Efecto - Effect	
			US\$M	YoY%	p	q
Exportaciones Totales - Total Exports	30,052	100%	5,455	22.2%	28.6%	-5.0%
Exportaciones Petroleras - Oil Exports	10,721	35.7%	2,421	29.2%	38.7%	-6.9%
Exportaciones no Petroleras - Non Oil Exports	19,331	64.3%	3,034	18.6%	20.8%	-1.8%
★ Camarón - Shrimp	6,794	22.6%	2,039	42.9%	11.4%	28.2%
★ Banano - Banana	2,960	9.9%	-208	-6.6%	-0.4%	-6.2%
Productos mineros - Mining products	2,519	8.4%	639	34.0%	9.3%	22.6%
Enlatados de pescado- Canned sea food	1,253	4.2%	105	9.2%	10.9%	-1.5%
Cacao - Cocoa	903	3.0%	60	7.1%	-5.1%	12.8%
Flores - Flowers	870	2.9%	26	3.1%	5.5%	-2.2%
Manufacturas de metal - metal manufacturing	437	1.5%	-20	-4.3%	28.0%	-25.2%
Atún y pescado - Tuna and fish	361	1.2%	29	8.7%	32.1%	-17.8%
Madera - Wood	346	1.2%	5	1.3%	7.7%	-5.9%



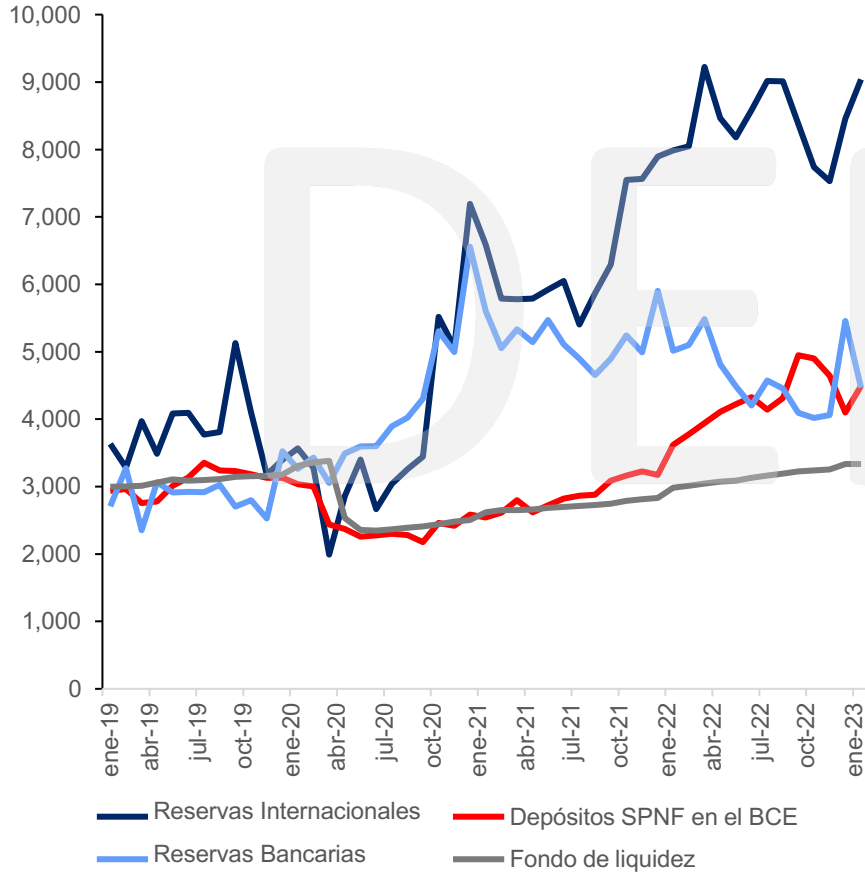
Sources: BCE, HM

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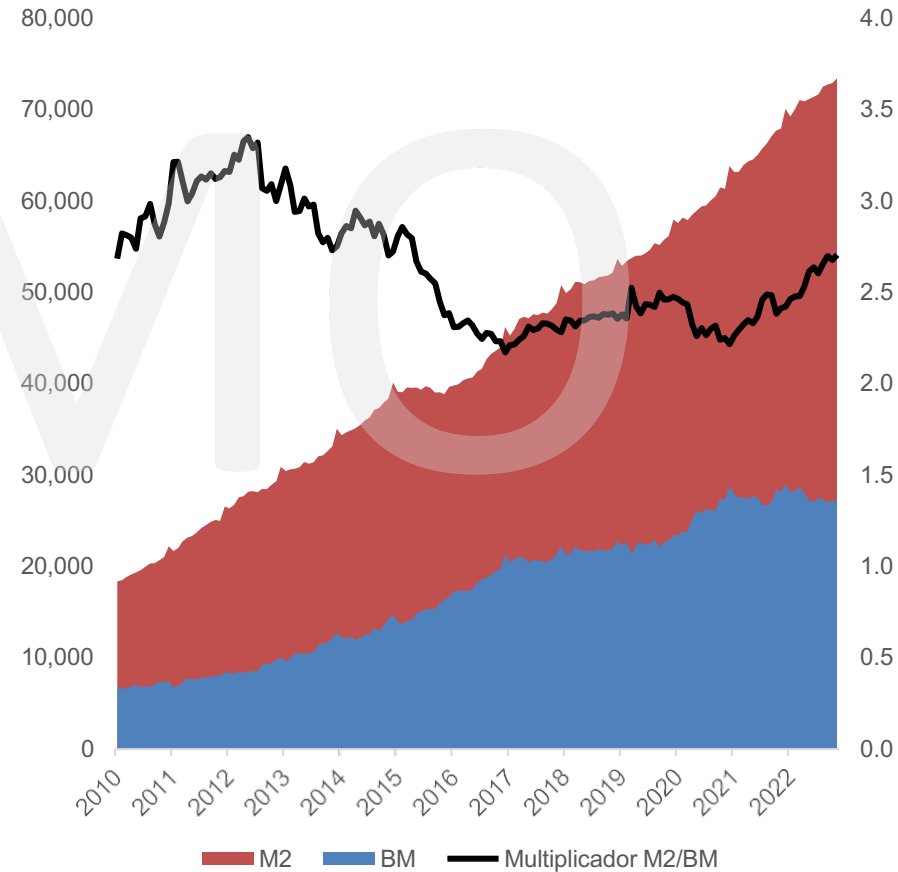
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

International reserves have remained above US\$ 8.0 Bn in the last months, reflecting a positive external position, despite the increase in private sector outflows. The financial sector is backed by record international reserves, as by a growing Liquidity Fund and increased banking sector deposits abroad.

RI vs Depósitos SPNF & Reservas Bancarias (US\$M)



RI vs Depósitos SPNF & Reservas Bancarias (US\$M)

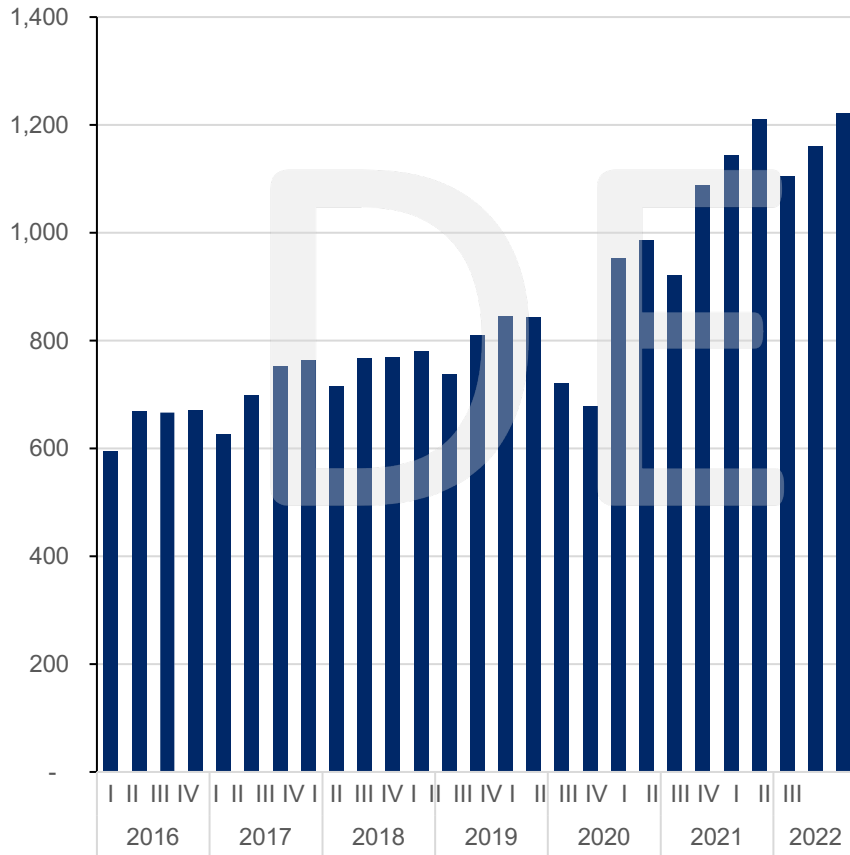


Source: BCE

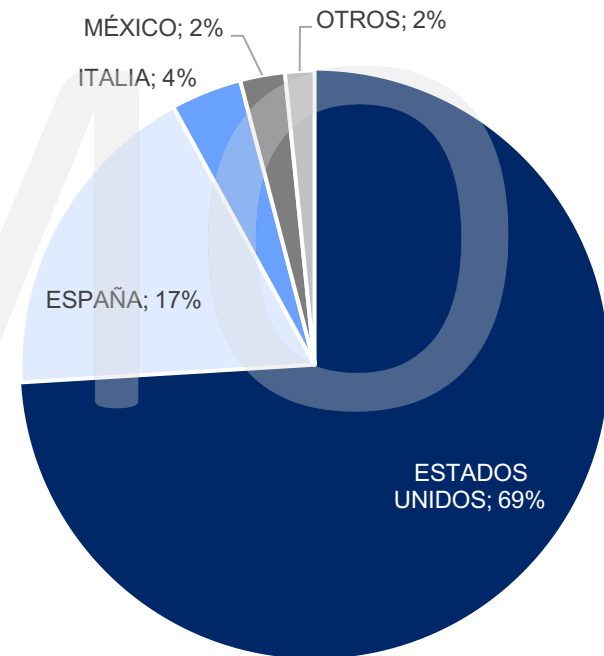
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Remittance flows stood at US\$ 3,485M to Q3-2022, up 10.5% from the same period of 2021.

Remesas recibidas – US\$ MM
Remittance inflows – US\$ MM



Remesas por país de origen – 2022
Remittance inflows by country

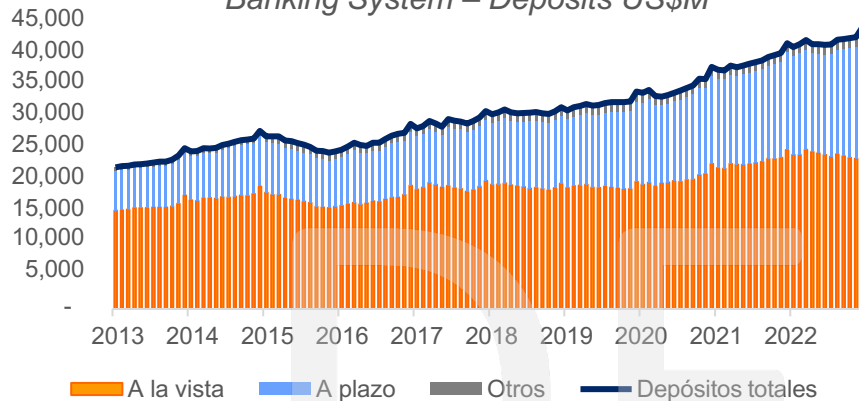


Source: BCE

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

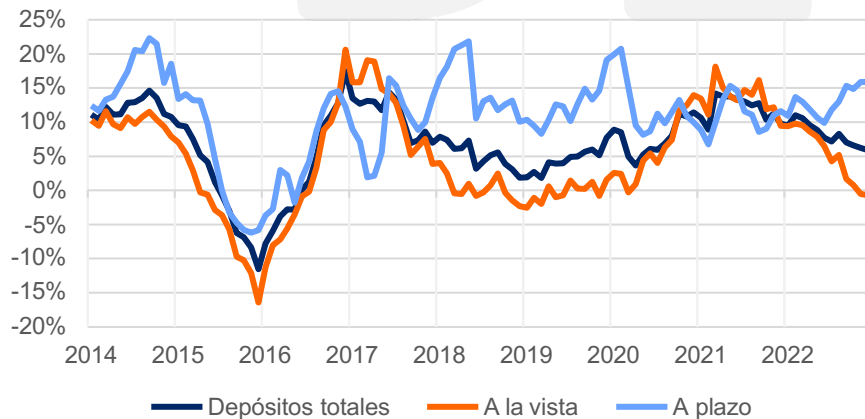
As of December, banking deposits reached US\$ 43.6 Bn an increase of 5.9% y-o-y

Depósitos del Sistema Bancario US\$M
Banking System – Deposits US\$M



As of December, the deposits of the private banking system stood at US\$ 43.6 billion equivalent to an annual growth of 6.2% (+\$2.4Bn), driven by time deposits growth of 15.9% y-o-y, while demand deposits decreased -0.7% y-o-y.

Tasas de crecimiento anual %
Annual growth rate %



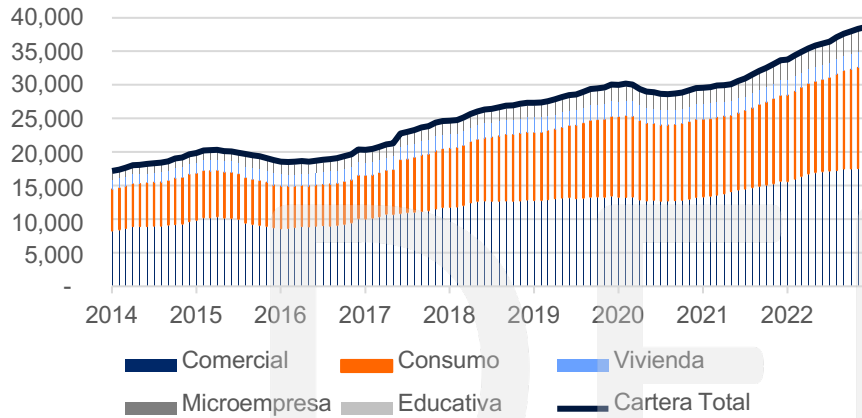
A diciembre los depósitos del sistema de bancos privados alcanzó los US\$ 43.6 Bn, equivalente a un crecimiento anual de 5.9% (+\$2.4 Bn). Se evidencia la contracción de liquidez con el decrecimiento anual de los depósitos a la vista y las tasas de crecimiento mensuales negativas.

Source: Superintendencia de Bancos

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

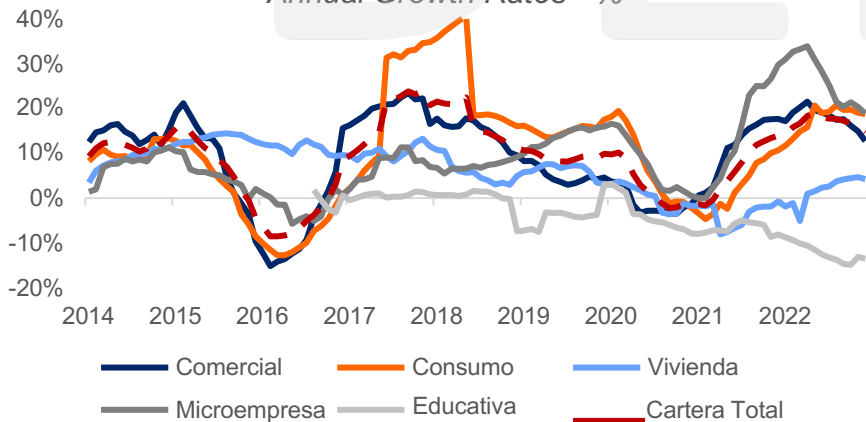
Financial system credit slows down by the end of 2022

Cartera Bruta del Sistema Bancario US\$M
Gross Loan Portfolio - US\$M



As of December, the gross portfolio of the private banking system reached \$38.6 billion, an annual growth rate of +14.6%, equivalent to +\$4.9 Bn.

Tasas de crecimiento anuales
Annual Growth Rates - %



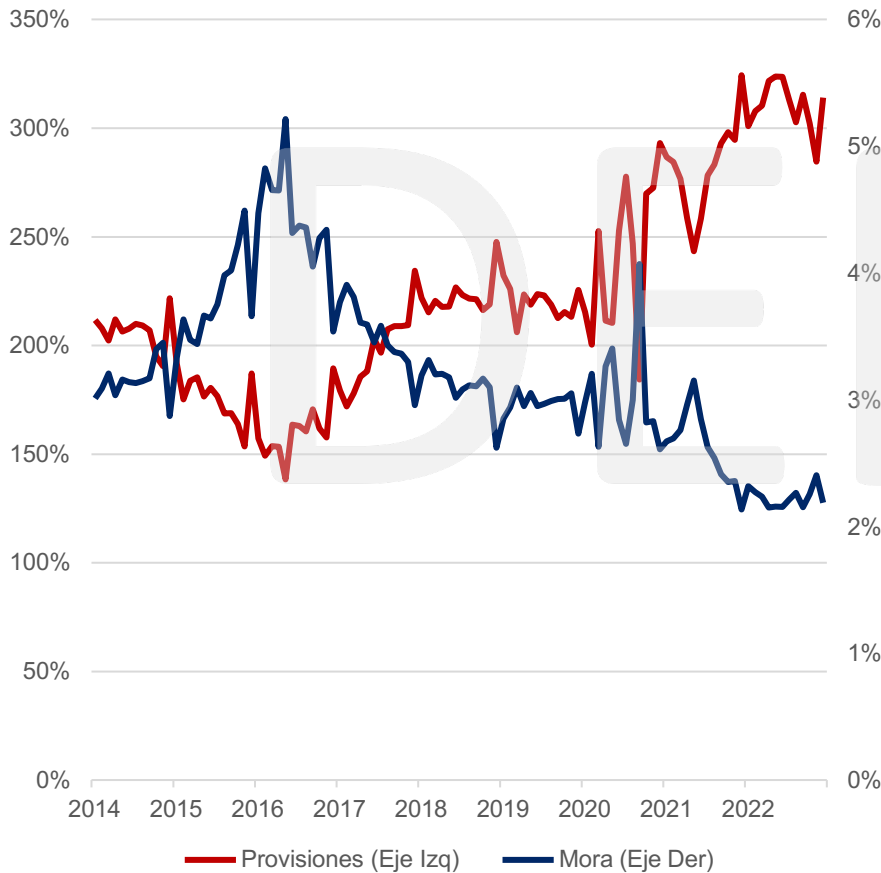
En diciembre la cartera bruta del sistema bancario privado alcanzó los \$ 38.6 billones, un crecimiento anual de +14.6%, equivalente a + \$4.9 Bn, impulsado principalmente por el aumento de 18.8% en el segmento de consumo (+\$2.4 Bn), seguido por el segmento comercial con un crecimiento de 12.7% (+\$2.0 Bn) y el Microcrédito con un aumento de 18.9% (+\$0.5Bn).

Source: Superintendencia de Bancos

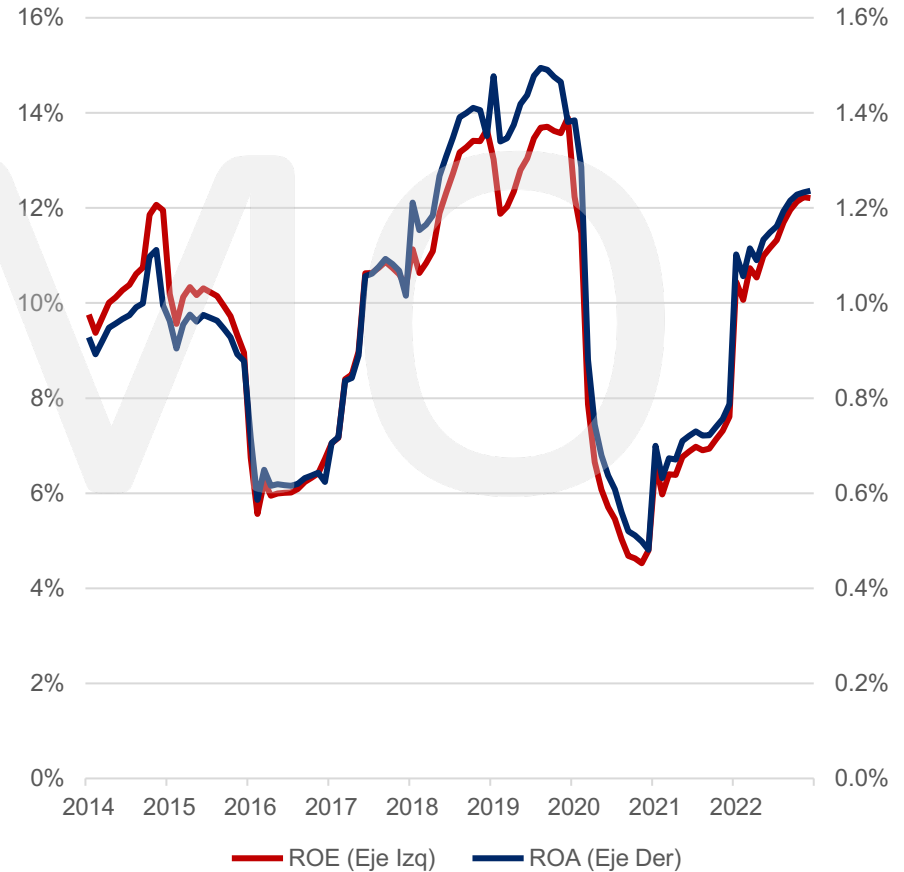
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Private Banking System continues to recover its profitability while delinquency rate remains under control

Morosidad & Provisiones
Delinquency rate and provisions



ROE & ROA

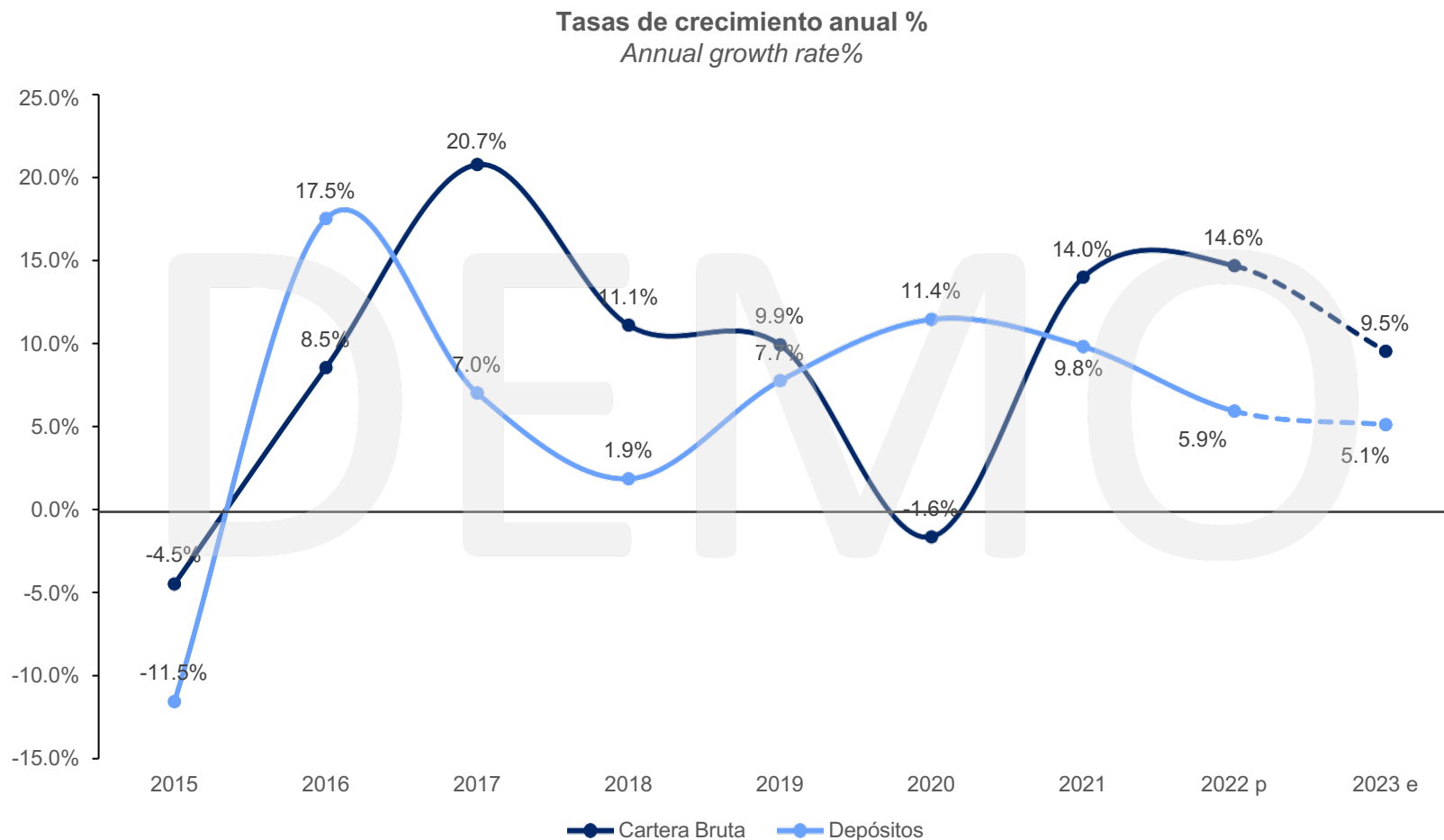


Source: Superintendencia de Bancos

Strictly confidential

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Deposits & Loan Portfolio Growth Rate - Forecast 2023

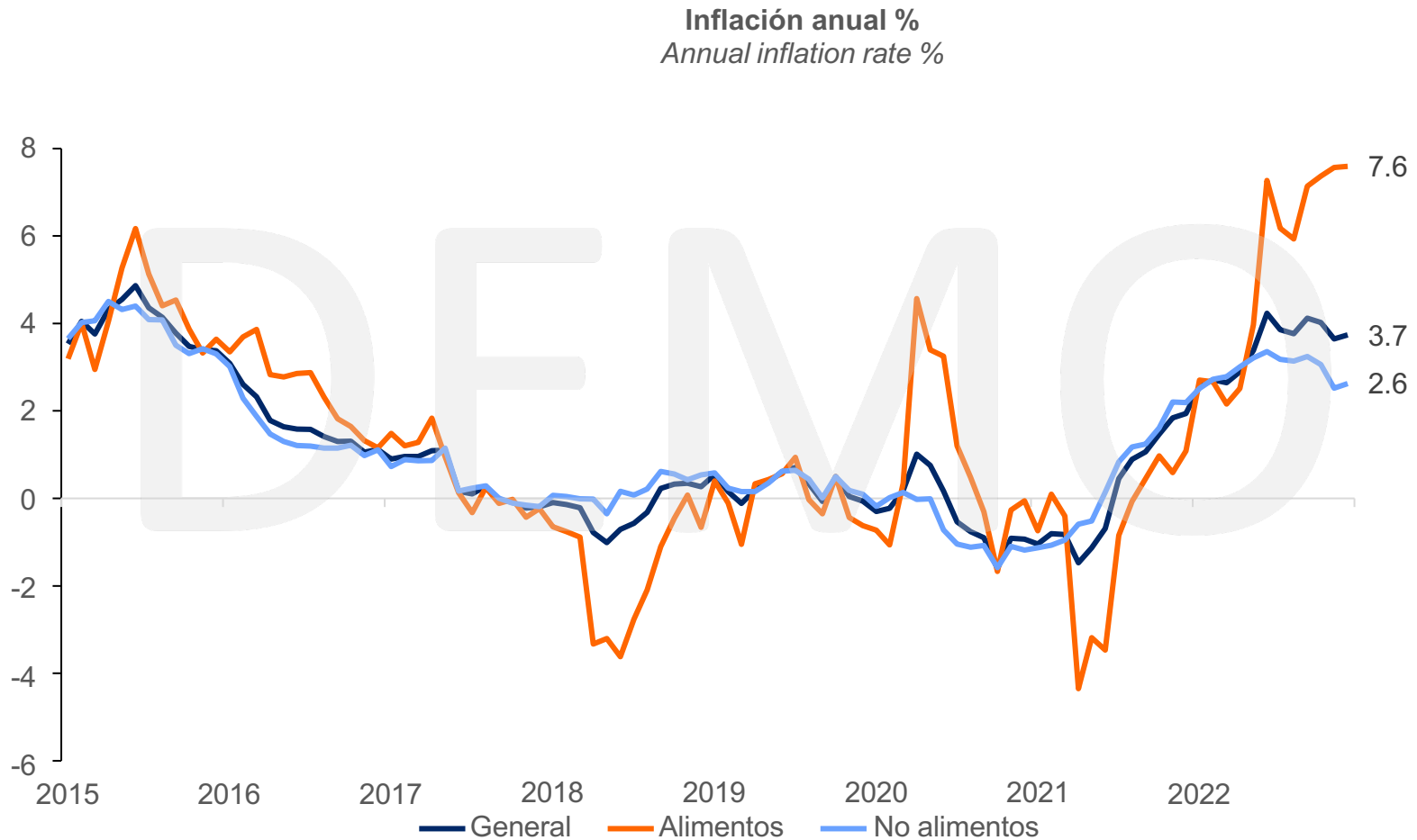


Source: Superintendencia de Bancos; HM

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3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Inflation has slowed in last months, reaching an annual rate of 3.7% at the end of 2022. The main category contributing to this growth is food (+7.6%).



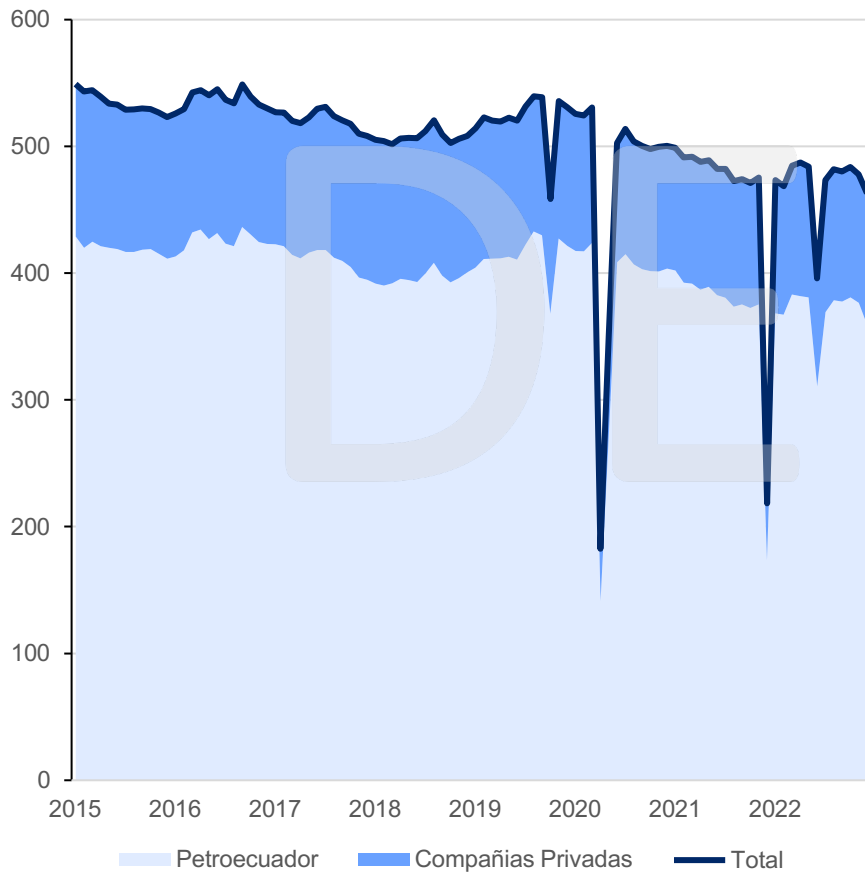
Source: INEC

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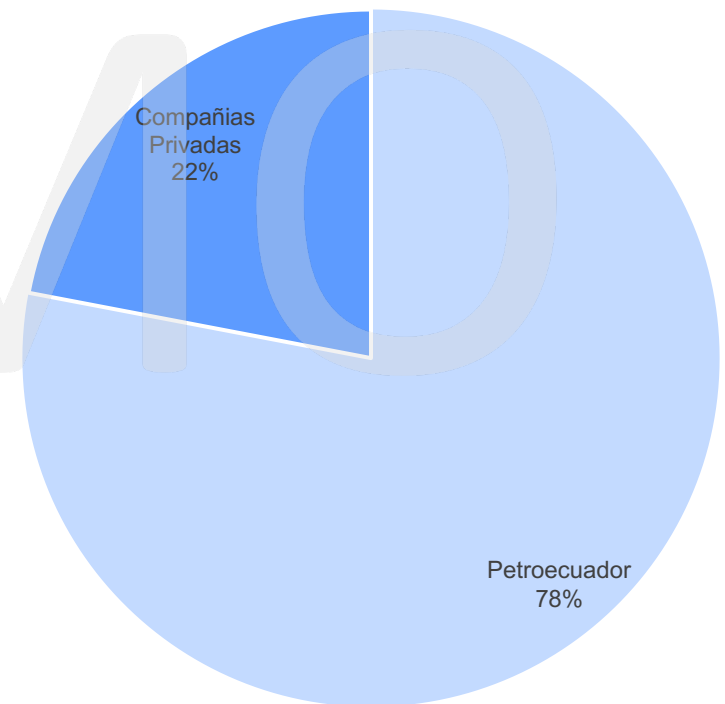
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

In 2022, oil production reached an average of 470,000 barrels per day, 78% of which corresponds to the state-owned company Petroecuador, while the remaining 22% is produced by private companies.

**Producción Promedio de Petróleo
(miles de barriles diarios)**



Producción petrolera por tipo de empresa 2022 %

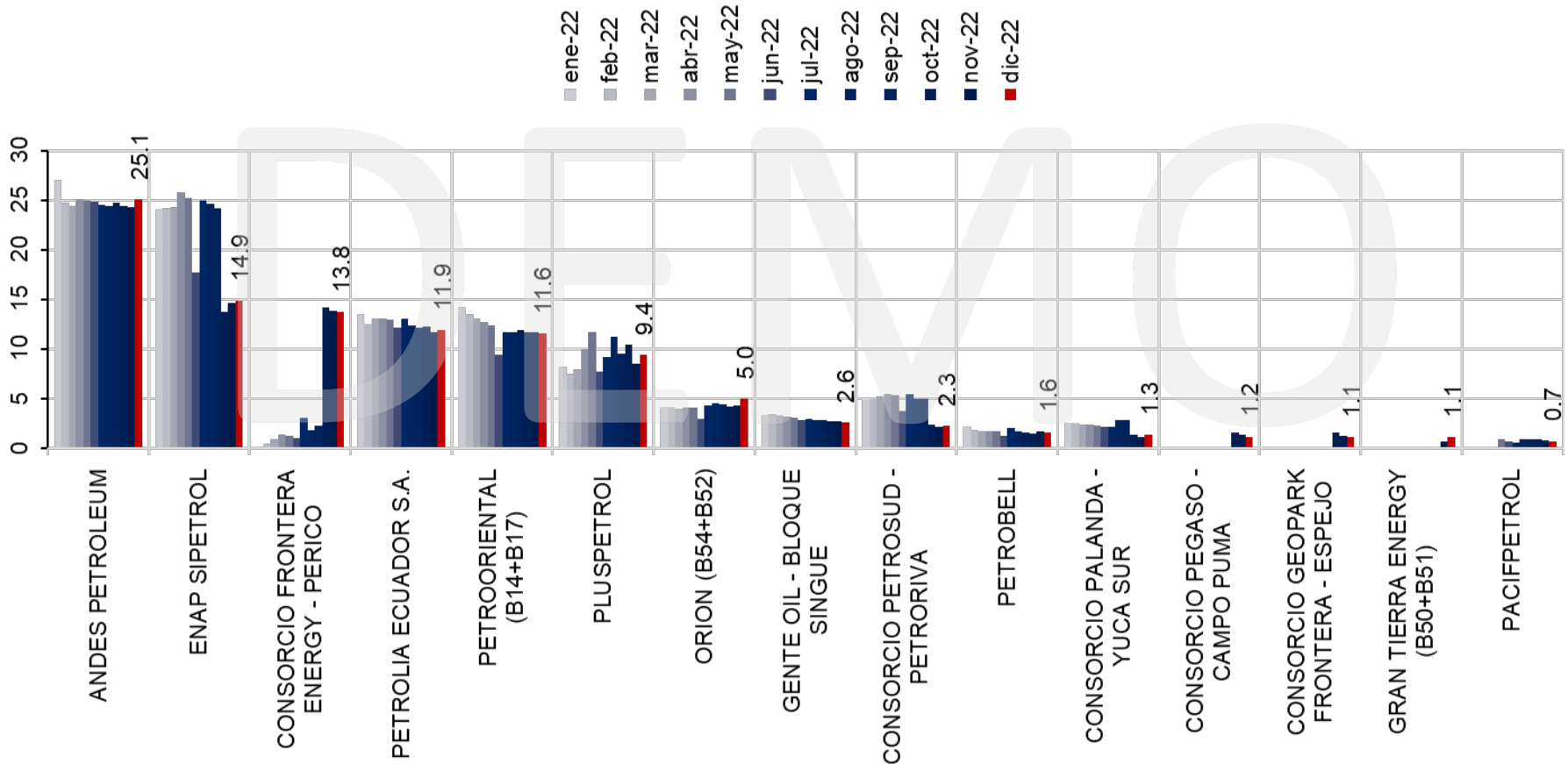


Source: ARC

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

In 2022, oil production reached an average of 470,000 barrels per day, 78% of which corresponds to the state-owned company Petroecuador, while the remaining 22% is produced by private companies.

Producción Promedio de Petróleo – Compañías Privadas
(miles de barriles diarios)



Source: ARC

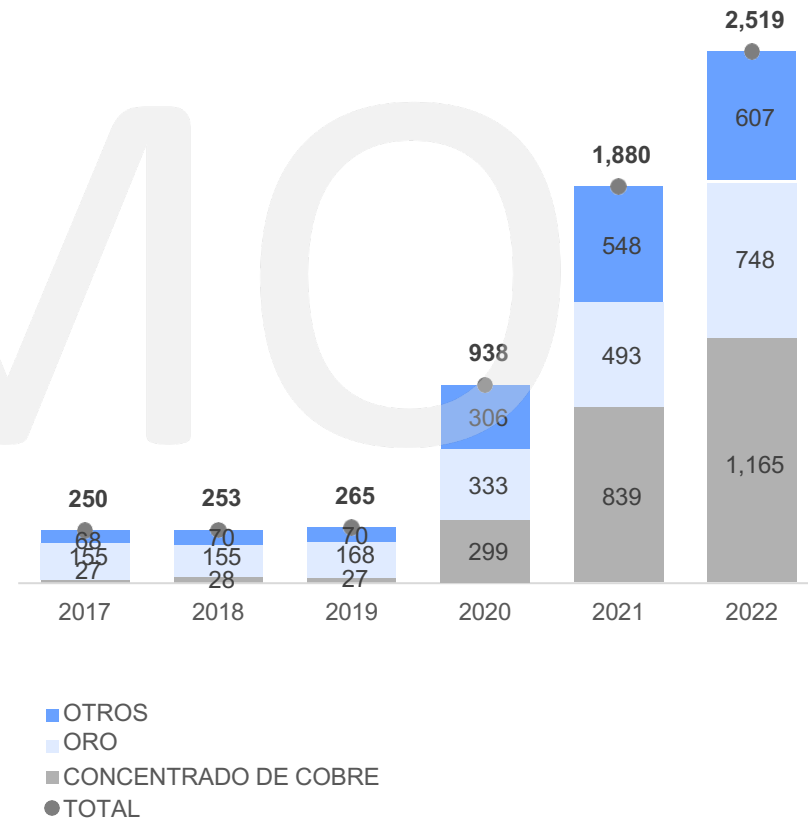
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Exports of mining products have become the 3rd non-oil export product, reaching \$2,519 million in November, equivalent to 34% y-o-y growth.

Proyectos Mineros por Provincia – 2022
Mining Projects by Province - 2022



Exportaciones Mineras por Producto US\$MM
Mining Exports by Product US\$MM

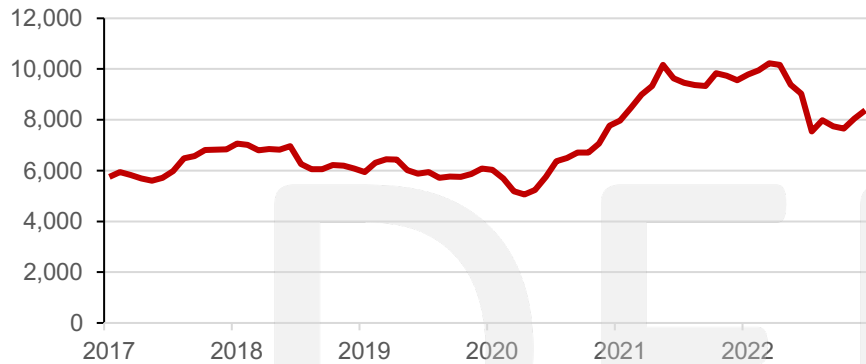


Source: BCE, ARC

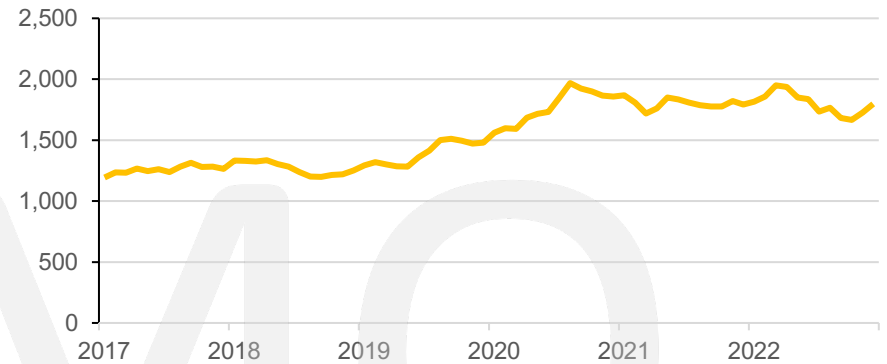
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Exports of mining products have become the 3rd non-oil export product, reaching \$2,519 million in November, equivalent to 34% y-o-y growth.

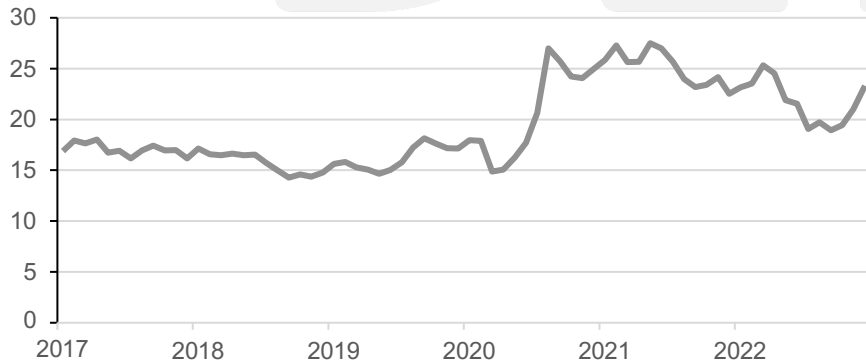
Copper (\$/mt)



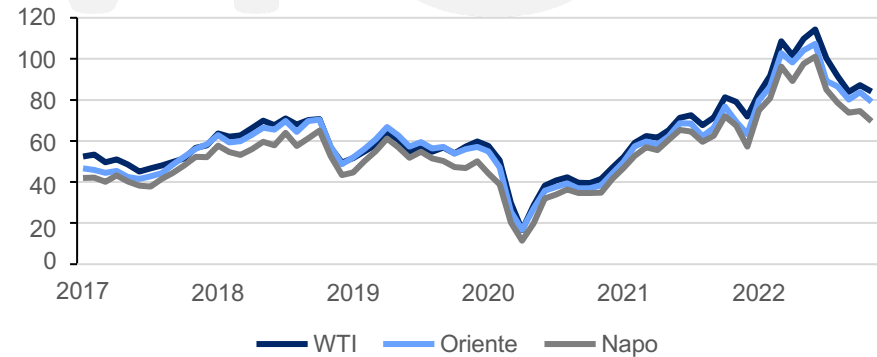
Gold (\$/troy oz)



Silver (\$/troy oz)



Crude Oil (\$/bbl)

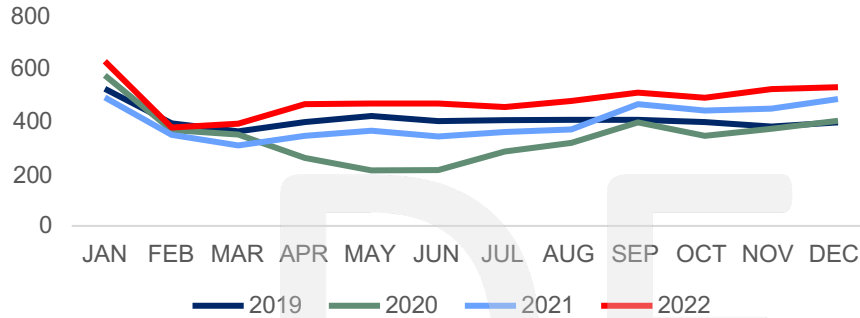


Source: BCE, ARC

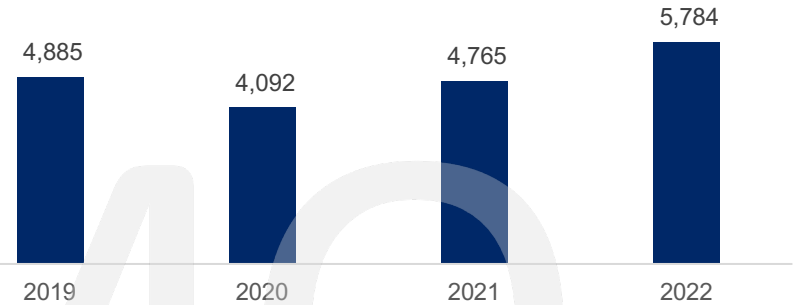
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Total VAT collections increased by 20.9% in 2022, due domestic and import VAT growing by 21.4% and 19.8% respectively

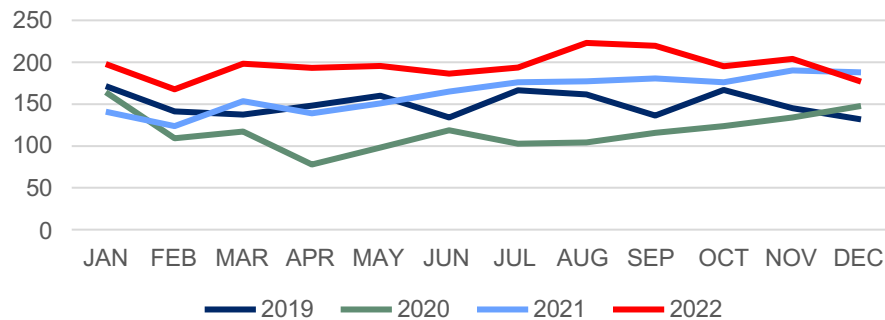
Recaudación Mensual - IVA Local US\$M
Monthly Domestic VAT Collection - US\$M



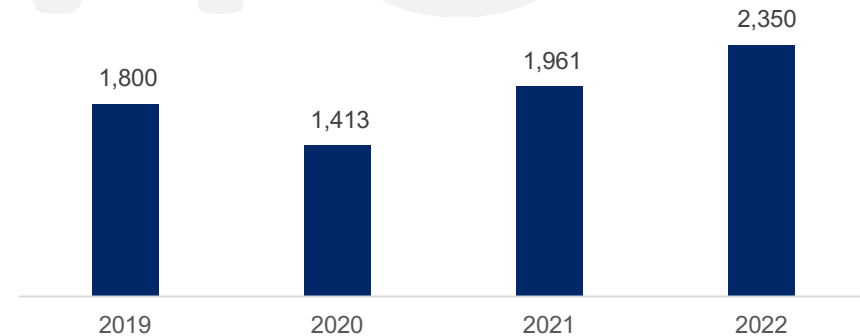
Recaudación IVA Local US\$MM
Domestic VAT - Cumulative Tax Collection



Recaudación Mensual - IVA Impor. US\$ M
Imports VAT Collection - US\$M



Recaudación IVA Importaciones (US\$MM)
Imports VAT - Cumulative Tax Collection

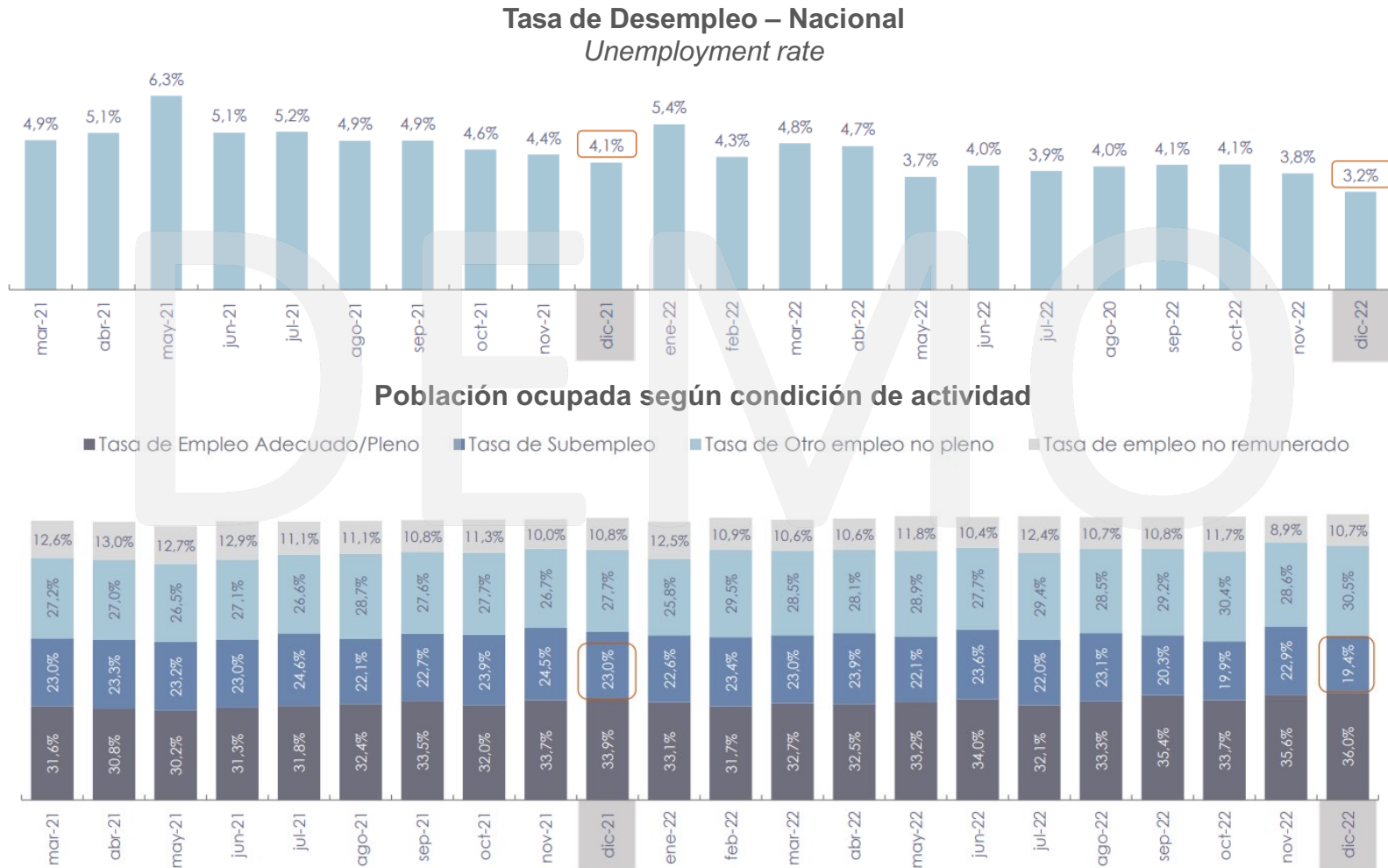


Source: SRI

Strictly confidential

3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

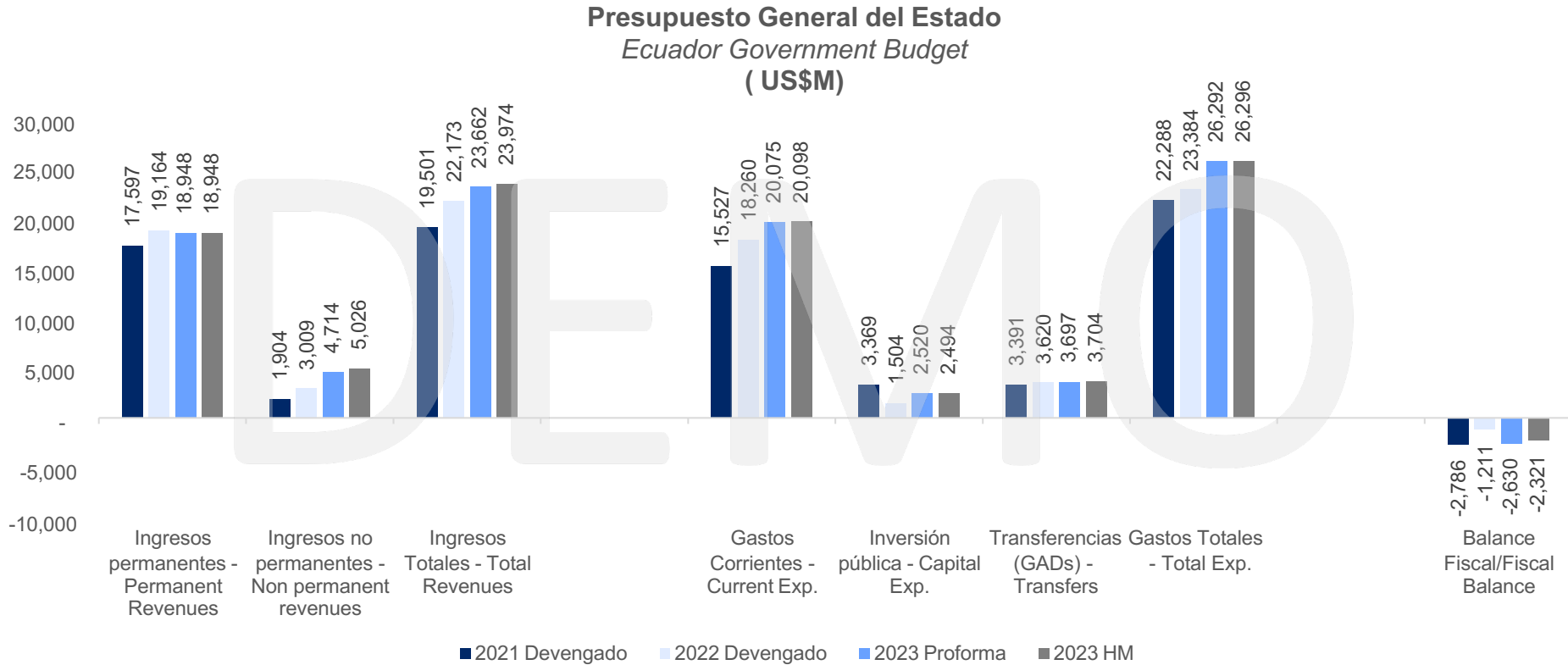
The unemployment rate closed 2022 at 3.2%, while adequate employment reached 36% of the labor force



Source: INEC

3. Domestic Outlook / Perspectiva Local

A fiscal deficit of \$2.3 Bn (-1.9% of GDP) is expected in 2023

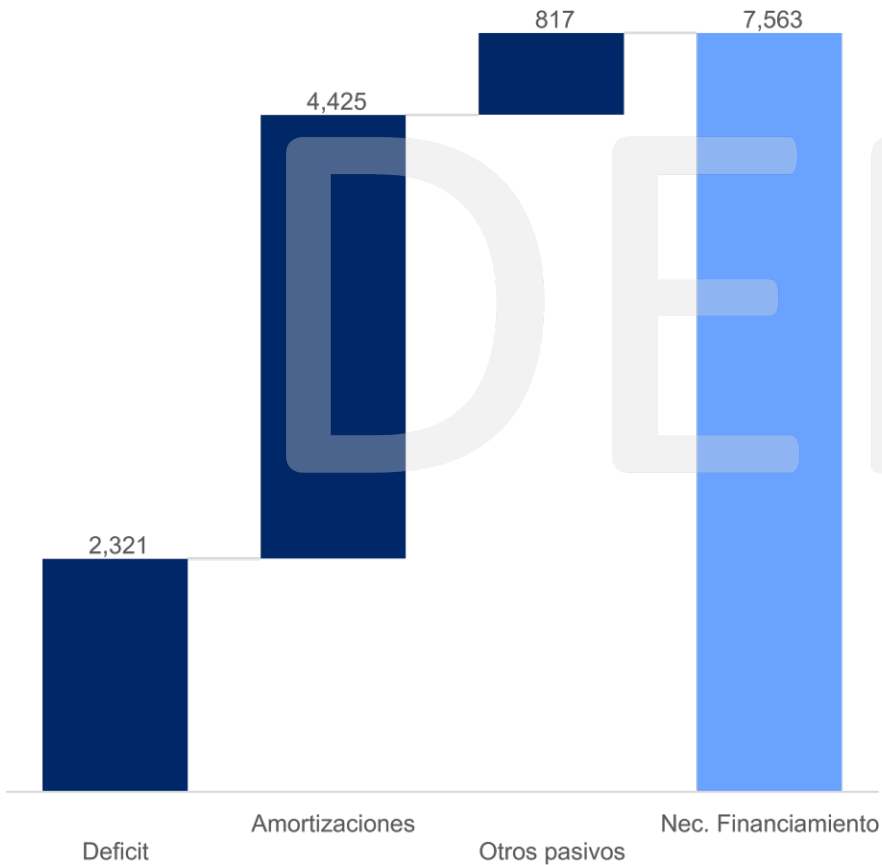


Source: MEF, HM

3. Domestic Outlook / Perspectiva Local

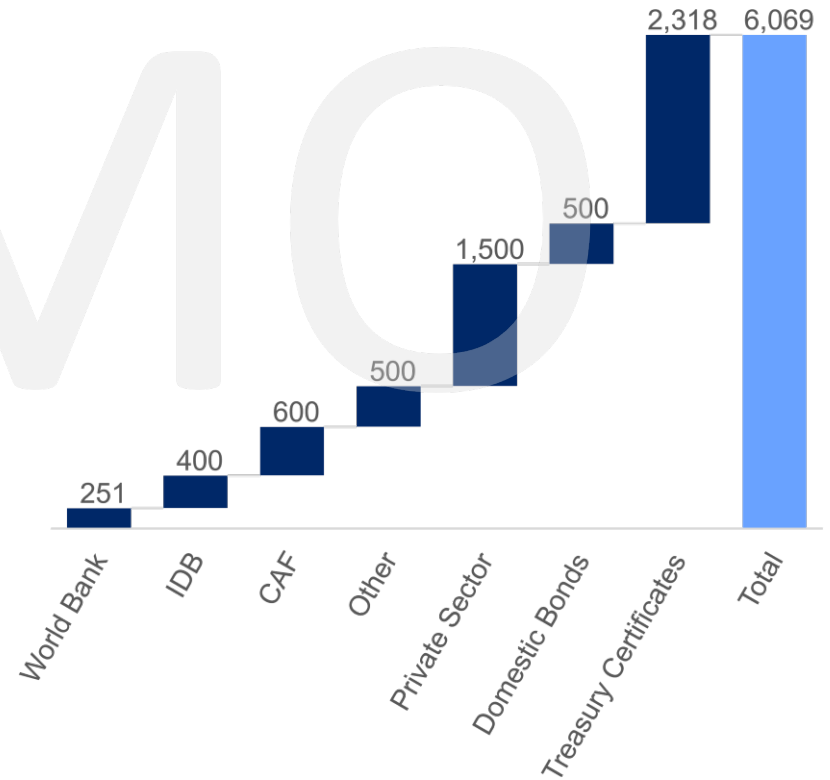
2023 estimated financing needs reach US\$ 7,563 million (6.2% of GDP). Identified Financing Sources: \$1.7Bn Multilaterals, \$1.5 Bn Private Sector, Treasury Certificates \$2.3Bn, Domestic Bonds \$0.5 Bn

Necesidades de Financiamiento – US\$MM
Gross Financing Needs – US\$MM



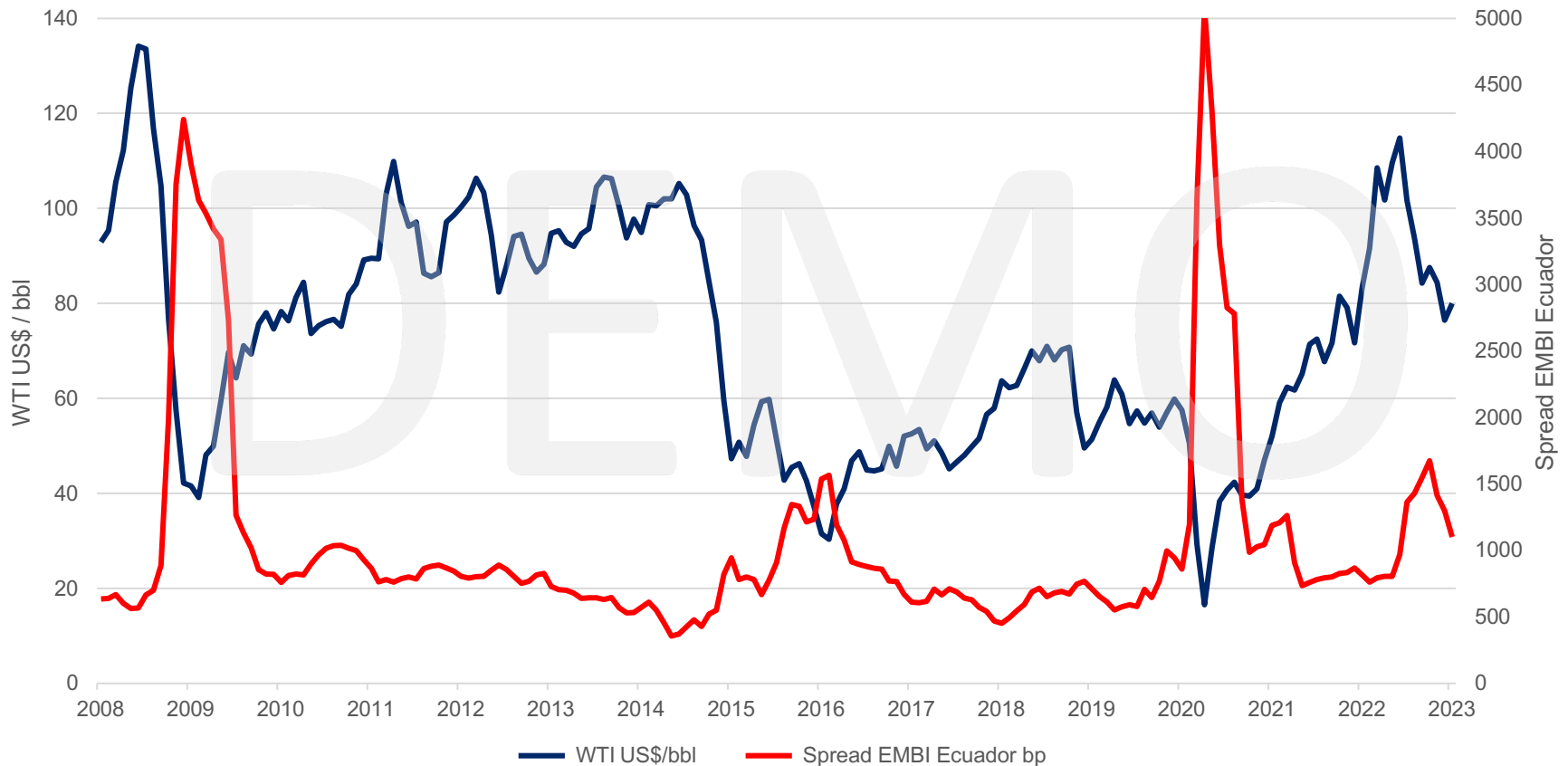
Source: MEF, HM

Fuentes de Financiamiento – US\$MM
Financing Sources – US\$MM



3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Historically, oil price has been the main driver for Ecuador's creditworthiness. In a context of improved fiscal accounts and strong external balances, the disconnection between EMBI and oil price is explained by political uncertainty

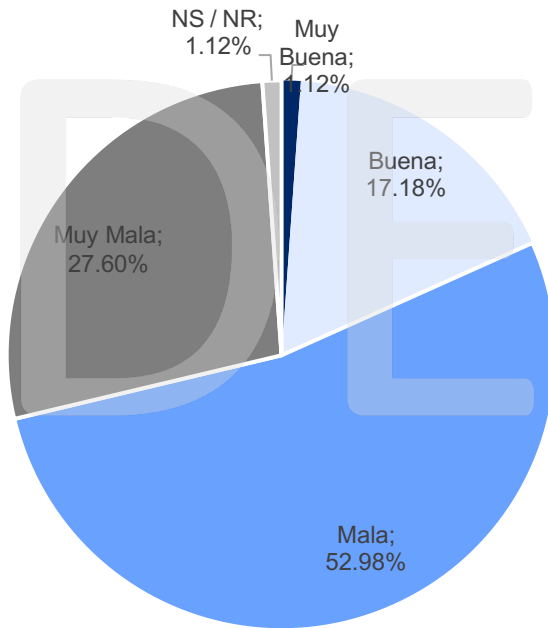


Source: BCE, EIA

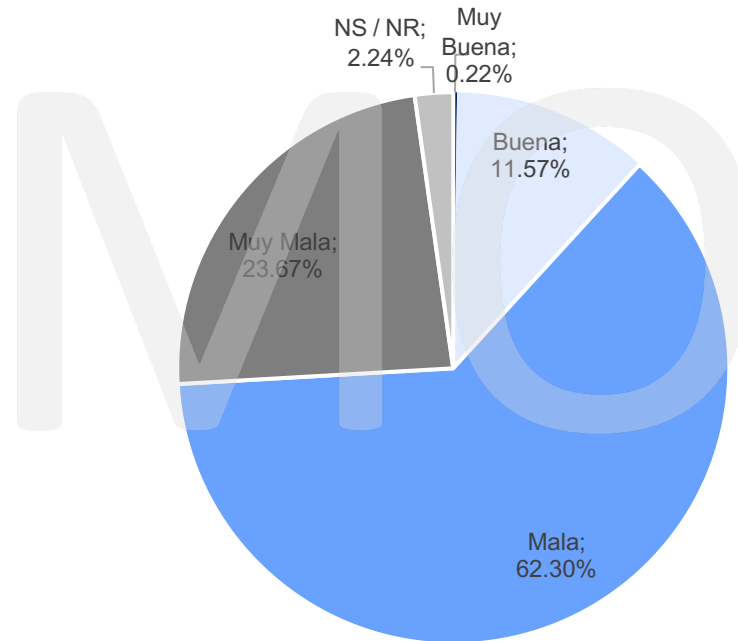
3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador

Widespread popular discontent with politicians create an uncertain political scenario catalyzing a sharp increase in country risk.

Presidente de la República



Asamblea Nacional



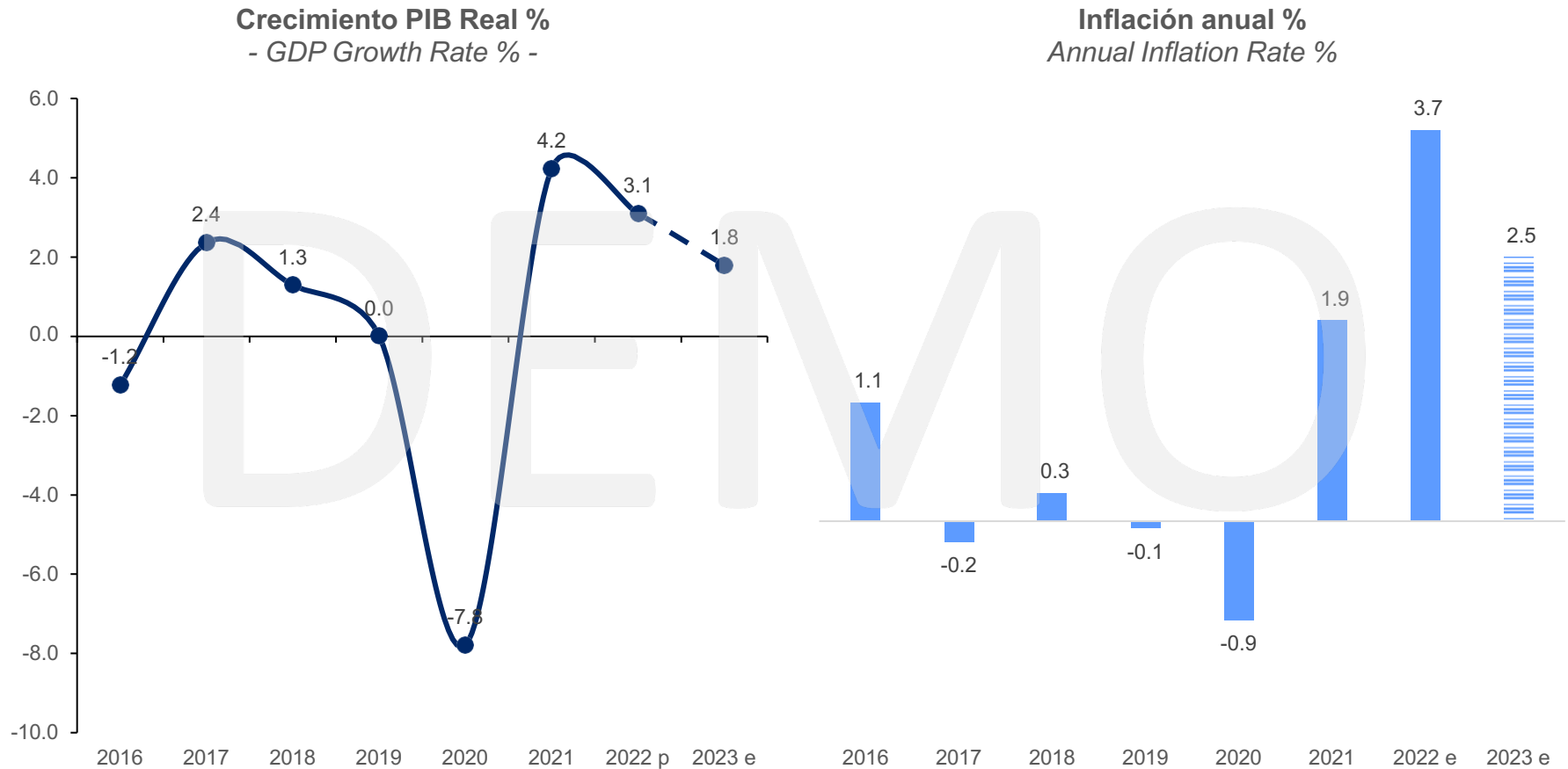
Source: Perfiles de Opinión, Diciembre 2022, Mensuario 179

- Section 1. Global Outlook / Perspectiva Global**
- Section 2. Regional Outlook / Perspectiva Regional**
- Section 3. Domestic Outlook - Ecuador / Perspectiva Local - Ecuador**
- Section 4. Forecast 2023 / Pronósticos 2023**

DEMO

4. Forecast 2022-23 / Pronósticos 2022-23

Ecuador Real GDP growth rate and annual inflation rate



Source: BCE, HM

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