

Schedule 3
FORM ECSRC - Q

Quarterly Report
For the period ended September 30, 2010

or

TRANSITION REPORT _____
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _____ to _____

Issuer Registration Number: ECFH 28062001SL

East Caribbean Financial Holding Company Limited
(Exact name of reporting issuer as specified in its charter)

Saint Lucia
(Territory or jurisdiction of incorporation)

No. 1 Bridge Street, Castries St. Lucia
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): 758-456-6000

Fax number: 758-456-6702

Email address: ecfh@candw.lc

N/A

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

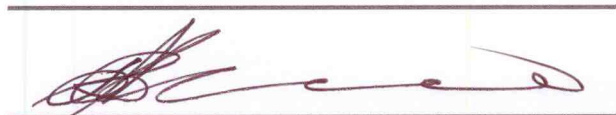
Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
Preference Shares	830,000
Ordinary Shares	24,465,589

SIGNATURES

Name of Chief Executive Officer:

Robert
Norstrom



Signature

Date

6/12/10.

Name of Director:

Victor
Eudoxie



Signature

Date

6/12/10

INFORMATION TO BE INCLUDED IN THE REPORT

1. Financial Statements

Provide quarterly Financial Statements in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) (Condensed Balance Sheet as of the end of the most recent financial year and just concluded quarter.
- (b) Condensed Statement of Income for the interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) Examples of financial data items to be included in constructing financial statements for various types of businesses are provided in Parts A-D. These items are meant to serve as guidelines only.
- (e) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Discuss reporting issuer's financial condition, changes in financial condition and results of operations during the reporting period. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim quarterly report. The broad areas of discussions should centre around liquidity, capital resources and results of operations. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

(a) Liquidity

Identify any known trends or commitments, demands, events that will result in or that are reasonably likely to result in the reporting issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course

of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

Liquidity levels remain high, reflecting market conditions generally in the Region. In light of the prevailing conditions and its goal for Regional expansion the ECFH has signed an agreement with the Government of St. Vincent for the acquisition of 51% of the state owned bank NCB St. Vincent for the purchase price of approx. \$42M. The acquisition is expected to be finalised by November 30th 2010. This will have a temporary impact on liquidity pending receipt of funding to cover the purchase. As customary, the holiday season is anticipated to bring increased cash outflows; nonetheless liquidity is expected to remain at comfortable levels. The impact on liquidity of Hurricane Tomas remains to be seen.

(b) **Capital Resources**

Describe the reporting issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments. Describe any material trends, favourable or unfavourable in the reporting issuer's capital resources and any expected change in mix. The discussion should consider changes between equity, debt and any off-balance sheet financing arrangements.

The major capital expenditure being undertaken by the Group is the construction of a new building in the north of the island and construction commenced in March 2010. There are also plans to acquire a building in Soufriere to house the branch in that location as the existing building has space constraints.

(c) **Results of Operation.**

Describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and in each case indicate the extent the income was so affected. Describe any known trends or uncertainties that have had or that the reporting issuer reasonably expects will have a material favourable or unfavourable impact on net sales or revenues or income from continuing operations. If the reporting issuer knows of events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), the changes in relationship should be disclosed.

The Group has maintained strong profitability in 2010 in spite of the challenging economic conditions. Profit after tax for the third quarter was \$9.1M which is a considerable improvement from last quarter of \$5.3M. Year to date profits after taxes was \$24.3M which is 22% below last year but still reasonable in the

challenging economic environment. The banking business has been impacted by shrinking yields and decline in non-interest income resulting from a decline in economic activity. The other Group businesses reported generally encouraging results.

The Group is continuing its strong controls over loan quality and costs in an effort to ensure that profit levels can be retained during this challenging period.

3. Disclosure of Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

The global financial crisis continued to take its toll on economic activity in St. Lucia and likewise on the operations of the ECFH Group during the third quarter of 2010. This situation was made more pronounced by a four month drought earlier in 2010 which severely affected major sectors like Agriculture, Tourism and Construction. Business suffered financial losses due to closures as well as reduced sales due to the deceleration of economic activity.

The significant risks to which the Group is exposed include credit risk, liquidity risk, market risk, operational risk, foreign exchange risk, and reputation risk. The Group ensures that risk mitigation in any one area does not inadvertently increase exposure in other areas.

Credit Risk

Credit risk is determined to be the largest single risk faced by the ECFH Group. At September 30, 2010, credit activity (loans and investments) amounted to approximately 81% of total assets. During the period under review, the Group continued to monitor the quality of loans being approved, conducting credit risk reviews on all lending over a stipulated dollar value and analysis on loans approved to ensure general compliance with approved credit risk management guidelines. Reviews of the quality and performance of the credit portfolio are undertaken on a regular basis to identify trends and concentrations and take corrective action as necessary. A Recoveries Committee was established in the 2nd quarter of this year to continuously monitor and review delinquency levels.

The Group's delinquency level is continuously monitored and significant efforts have been made to reduce the non-productive portfolio including work-outs, write-off and sale of selective non-performing loans. The ratio of non-productive loans to total loans was 6.75% at September 30, 2010 compared to 6.88% at August 31, 2010 and 6.96% at December 31, 2009. Efforts are ongoing to attain the international benchmark of 5%. While the ECFH Group continues to work

with its client through these difficult times, the slow pace of economic recovery will make it difficult to contain the growth in the nonproductive portfolio in the next 12 months.

The investment portfolio did not show any signs of stress during the period. Investment policies have been approved by the Boards for all subsidiaries. Financial Markets are recovering albeit at a slow rate. The Group has expanded its relationships with Investment Managers to increase the yields and reduce the risk of investments in international markets. Investment managers have better knowledge of the international markets and are able to better monitor activities that may have an impact on portfolios. To some degree this strategy has been successful with spreads on the Group's investment portfolio rising steadily and capital gains being recorded in many instances.

Market Risk

The Group is stepping up its efforts to manage market risks. To improve its management of market risk, the ECFH Board secured the assistance of the International Finance Corporation (IFC). The IFC have completed the first version of the financial risk simulation model which is to be used to assist in market and liquidity risk management, and it is currently being tested. The department is currently comparing the results of the model to actual results to determine and rectify any variances. This simulation model is expected to calculate and forecast market risk indicators for BOSL. It is the intention to expand the financial risk simulation model to include other subsidiaries of the ECFH Group.

Additionally, the portfolio of investments is continually monitored for changes in value of instruments and circumstances of institutions with which the Group conducts business. Investments are subject to market valuations where appropriate and instruments are marked to market in keeping with IFRS.

Foreign Exchange Risk

Growth in the offshore banking area has resulted in an increase in the number of foreign currencies being managed which means increased exposure to foreign exchange risk. Foreign exchange exposure is monitored on a regular basis by the respective business units as well as the Asset Liability Committee. There were no instances of unmanaged significant exposure during the period under review.

Operational Risk

The ECFH Group has placed increased emphasis on BCP and has purchased software to assist in developing business continuity plans and to enhance its ability to better coordinate its efforts in a time of disaster. To this end and as part of the requirement of being a broker on the ECSE, the Business Continuity Plan for ECFH Global Investment Solutions Limited was prepared. A copy of the plan has been submitted to the ECSE. Update of plans for the branches of BOSL are at an advanced stage and should be completed by end of the first quarter of 2011. The Group conducted the annual exercise of its business continuity plans during the period including the conduct of annual evacuation drills at each location and comprehensive tests of the Disaster Recovery sites at Gros Islet and Trinidad. BCP awareness training was also delivered to staff

