Schedule 2
FORM ECSRC – OR

(Select One)

[ ] QUARTERLY FINANCIAL REPORT for the period ended September 2016
Pursuant to Section 98(2) of the Securities Act, 2001

OR

[ ] TRANSITION REPORT
for the transition period from _____ to _____
Pursuant to Section 98(2) of the Securities Act, 2001
(Applicable where there is a change in reporting issuer's financial year)

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

(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

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Andre Iton

Signature

31/10/16

Date

Name of Director:

Signature

31/10/16

Date

Name of Chief Financial Officer:

Bennie Stapleton

Signature

31/10/16

Date

INFORMATION TO BE INCLUDED IN FORM ECSRC-OR

1. Financial Statements

Provide Financial Statements for the period being reported 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 reporting period.

(b) Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with 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 just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.

(d) 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 Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures

taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

The financial sector continued to face several challenges including declines in commercial bank credit to the private sector, high non-performing loans and threats of loss of international correspondence banking relationships. In addition, the sector is still adjusting to the policy and regulatory measures introduced in 2015 including the lowering of the minimum saving deposit rate from 3.0% to 2.0% and the introduction of the new Banking Act which has now been passed in all eight territories of the OECS. By virtue of this Act, banks are required to set aside and maintain a minimum paid-up capital of EC $20 million.

In response, ECFH continues to implement strategies aimed at addressing the critical issues of the capital adequacy and asset quality of its commercial banking subsidiaries. Critical to ensuring that CAR levels are maintained above the regulatory prudential limits, the Group has forged ahead with the first phase of the amalgamation of its subsidiaries which will be complete by the end of October, 2016. Amalgamation will not only bring the CAR levels of the banking subsidiaries in line with regulatory requirements .but will also bring NPLs and sectoral exposures within more tolerable limits as well as create greater scope for cost containment and achieving operational efficiencies.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.

ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the 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.

iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.

iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.

vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.

vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.

viii) The 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.

ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

As part of its ongoing effort to maintain capital adequacy, the Group at the end of August, 2016 successfully issued an EC $50M, 10 Year Bond which will qualify as Tier II Capital in the amalgamated entity.

The Group however continues to maintain high levels of liquidity with Bank of Saint Lucia's official reserves being at a significant excess above requirements. Increased liquidity is evident from an almost 4.35 percentage point drop in the loans to deposit ratio of Bank of Saint Lucia year-over-year from 69.64% to 65.29% as at September 30, 2016. Bank of St. Vincent similarly has seen a growth in liquidity over the last few months.

The challenge therefore is for the Group to channel the excess liquidity to loans and investments that meets its risk profile. Given the fragile economic environment the Group continues with a very conservative approach in managing its liquidity.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.

ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.

iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.

iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

There are no material Off Balance Sheet items.

Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

i) 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, the extent to which income was so affected.

ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.

iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.

v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.

vi) Matters that will have an impact on future operations and have not had an impact in the past.

vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations

viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ix) Performance goals, systems and, controls.

Overview of Results of Operations

The ECFH Group's financial performance for the third quarter ended September 30th 2016 reflects the continuation of the implementation of the strategy to address the critical issues currently confronting the Group.

A key milestone in the last quarter was the improvement in the Capital Adequacy Ratio in Bank of St. Lucia. This was mainly due to the coming into fruition of one of the main initiatives to address Capital Adequacy. Total assets grew to $3.861BN from $3.773M reported at December 2015. This growth in the balance sheet was mainly attributed to an increase in deposits in the banking subsidiaries.

Despite some success in reducing interest expense, intense competition in the loan market has put pressure on lending rates thereby limiting interest margins. However, non-interest income continue to increase

The Group recorded a net loss of $39.8M which; in the main, was attributable to losses of $50.1.0M in Bank of Saint Lucia Limited (BOSL). The increased YTD losses in Bank of St. Lucia during the quarter was as a result of additional provisioning in accordance with the IAS 39 exercise and reflects management commitment to addressing the pool of non-performing loans in the portfolio as a necessary precursor to positioning the institution for a return to profitability.

All of the other subsidiaries recorded profits, as follows:

Bank of St Vincent and the Grenadines (BOSVG) - 6.76M
Bank of Saint Lucia International (BOSLIL - 3.86M
Global Investments Limited - 3.26M

It is expected that the ongoing implementation of the key strategic initiatives will continue for the remainder of the financial year, thus the financial results are expected to be similar to what was obtained for the preceding nine months.

The Board of Directors remained committed to the strategic initiatives.

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

Credit Risk
During the period under review, the Group remained focused on enhancing the quality of the loans' portfolio, through improved credit analysis and underwriting of new lending opportunities. International best practices were employed in the assessment of all credits coupled with comprehensive credit risk reviews on lending over a stipulated dollar value. During the quarter, the Group continuously assessed limits to the various sectors to mitigate any concentration risk to ensure general compliance with approved credit risk management guidelines. Reviews of the quality and performance of the credit portfolio were undertaken by the High Risk and Asset-Liability Committees, to identify trends and concentrations and take corrective action as necessary.

Operational Risk
The Group remains vulnerable to operational risk, which emanates from both its internal and external environments. To minimize the potential impact, the Group continues to adopt a proactive approach to mitigating operational risk through effective risk management tools and techniques. Risk registers were completed for 6 units during the period under review. The ECFH Group arranged tests of its Disaster Recovery Sites prior to the start of the 2016 hurricane season.

Reputational Risk
The Group complies with all Anti Money Laundering legislation and other related laws, in all jurisdictions in which it operates. As it relates to FATCA, the ECFH Group was able to implement all of the requirements of FATCA by the stipulated time of July 1, 2014. The Group is currently working towards updating the account details of its existing customers and preparing for reporting to the US Authorities via the respective Inland Revenue Departments.

Market Risk
Market risk remains at an acceptable level within the Group. To enhance the management of market risk, the Group adopts a forward looking approach of measuring market risk, through the use of a financial risk simulation model to conduct stress testing. Foreign exchange exposure is monitored on a daily basis by the respective business units as well as the Asset Liability Committee, to ensure that the bank is not exposed beyond its stipulated risk appetite.

Liquidity Risk
The Group's liquidity risk is actively monitored by the Group Asset-Liability Committee. Active liquidity management ensures that the regulatory reserve requirement is always met by the domestic banks. The Group has updated Liquidity policies for all subsidiaries with the associated approved liquidity contingency plans.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

There were no legal proceedings during the quarter.

5. Changes in Securities and Use of Proceeds.

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

There were no changes in securities and use of proceeds during the quarter.

(a) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)

  _____

- Offer closing date (provide explanation if different from date disclosed in the registration statement)

  _____

- Name and address of underwriter(s)

  _____

  _____

- Amount of expenses incurred in connection with the offer _____
- Net proceeds of the issue and a schedule of its use

  _____

  _____

- Payments to associated persons and the purpose for such payments

  _____

  _____

(c) Report any working capital restrictions and other limitations upon the payment of dividends.

There were no working capital restrictions and other limitations upon the payment of dividends during the quarter.

6. Defaults upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

There were no defaults upon Senior Securities.

(b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

Not Applicable.

7. Submission of Matters to a Vote of Security Holders.

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

There were no matters to a Vote of Security Holders through the solicitation of proxies submitted during the quarter.

(b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

Not Applicable

(c) A brief description of each other matter voted upon at the meeting and a statement of the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

Not Applicable

(d) A description of the terms of any settlement between the registrant and any other participant.

There are no settlement between the registrant and any other participant.

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

Not Applicable.

8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

Not Applicable.

EAST CARIBBEAN FINANCIAL HOLDING COMPANY
Unaudited Consolidated Balance Sheet
As at September 30th, 2016
(Expressed in Eastern Caribbean Dollars)

	Unaudited Sep-16	Unaudited Sep-15	Audited Actual Dec-15
Assets			
Cash and balances with Central Bank	387,847,208	374,797,682	344,211,623
Due from other banks	710,218,216	721,027,398	702,727,681
Deposits with non-bank financial institutions	8,076,239	7,182,247	7,896,441
Treasury bills	33,424,442	24,438,622	25,965,178
Loans & Advances to customers - Productive	1,383,205,253	1,484,423,273	1,476,383,001
Loans and Advances Nonproductive	346,338,616	340,063,538	334,214,057
Provision for loan losses	(149,346,786)	(102,608,794)	(132,789,450)
Unearned interest on discount loans	(191,421)	(202,308)	(195,031)
Investments held to maturity	138,962,008	106,893,397	98,806,960
available for sale	730,810,836	678,619,225	650,127,672
Investments held for trading	20,298,875	22,823,227	15,029,926
Pledged assets	11,871,708	16,966,802	17,459,414
Investment in associated undertaking	14,292,390	12,061,176	14,292,389
Property plant and equipment	144,043,647	145,653,133	144,996,585
Intangible Asset arising on Acquisition	4,571,853	5,195,301	7,905,259
Loan to related parties	0	0	0
Due from related parties	0	0	0
Other assets	52,332,920	42,102,204	46,270,520
Investment Properties	4,616,206	5,024,040	4,627,206
Income tax recoverable	2,886,157	4,709,098	3,767,958
Deferred tax asset	8,985,514	8,985,514	3,896,025
Retirement Benefit Asset	7,897,140	9,621,787	7,897,140
Total assets	**3,861,141,021**	**3,907,776,562**	**3,773,490,555**
Liabilities			
Due to customers	3,274,654,384	3,320,254,065	3,228,648,523
Due to banks	93,048,169	81,961,129	83,765,343
Other fund raising instruments	15,095,788	19,796,893	19,936,023
Borrowings	140,350,306	120,297,402	116,645,780
Other Liabilities	96,111,343	72,578,126	68,394,288
Due to Related Parties	0	0	0
Dividends Payable	275,915	(14,315)	276,007
Preference Shares	4,150,000	4,150,000	4,150,000
Income Taxes Payable	3,029,161	3,139,057	0
Deferred Tax Liabilities	5,089,488	5,495,051	0
Total Liabilities	**3,631,804,554**	**3,627,657,408**	**3,521,815,964**
Shareholders' Equity			
Share capital	170,081,060	170,081,060	170,081,060
Contributed capital	1,117,549	117,325	1,117,549
Unrealized gain/loss on Investments	7,176,457	(11,520,465)	(10,541,409)
Revaluation reserves	13,855,322	13,855,322	13,855,322
Reserves	158,309,365	159,081,480	158,710,296
Retained Earnings	(134,200,969)	(119,513,449)	(132,458,678)
Profit for the period	(39,821,542)	17,079,246	0
Parent's Shareholders' Equity	**176,517,242**	**229,180,519**	**200,764,140**
Minority Interest	52,819,225	50,938,635	50,910,451
Total shareholders' Equity	**229,336,467**	**280,119,154**	**251,674,591**
Total Equity and Liabilities	**3,861,141,021**	**3,907,776,562**	**3,773,490,555**

EAST CARIBBEAN FINANCIAL HOLDING COMPANY
Unaudited Consolidated Income Statement
For period ended September 30th, 2016
(expressed in Eastern Caribbean Dollars)

	Year to Date		
	Unaudited YTD Actual Sep-16	Unaudited YTD Prior Yr Sep-15	Audited YTD Actual Dec-15
Interest income on loans & advances	85,358,414	97,781,933	128,417,802
Interest income investments and bank deposits	22,011,051	19,950,724	27,384,971
Interest expense	40,298,326	50,140,579	64,717,164
Net interest income	**67,071,139**	**67,592,078**	**91,085,608**
Net fee and commission income	23,876,347	22,853,494	40,532,877
Net Foreign Exchange trading income	12,067,144	10,421,274	13,817,321
Rental Income	1,400,085	1,400,085	0
Gain/Loss Investments	259,912	1,188,595	2,766,508
Other Operating Income	1,656,034	2,312,662	2,586,406
Credit Arising from Acquisition	0	0	0
Dividend Income	271,262	166,041	283,525
Provision for loan impairment	(63,626,712)	(8,836,221)	(41,391,284)
Provision for Investment Impairment	0	0	(3,616,995)
Staff costs	(35,945,973)	(35,904,558)	(47,093,356)
Other operating expenses	(38,624,194)	(37,611,696)	(62,578,241)
Non-recurring Item	0		
Share of profit in Associates	0		2,231,214
Income for the period before taxation	**(31,594,956)**	**23,581,754**	**(1,376,417)**
Dividend preference shares			(290,500)
Projected Taxation	4,911,819	3,552,648	(4,044,634)
Income for the period after taxation	**(36,506,775)**	**20,029,106**	**(5,711,551)**
Minority Interest	3,314,767	2,949,860	(2,870,888)
Net income after minority interest and taxation	**(39,821,542)**	**17,079,246**	**(8,582,439)**