EFH HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the twelve months ended December 31, 2020

TABLE OF CONTENTS

References to "EFH" or "Company" in this Management's Discussion and Analysis refer to EFH Holdings Inc. on a consolidated basis, both now and in its predecessor forms.

Important Note:

The audited consolidated financial statements for the year ended December 31, 2020, and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS). The policies applied in the audited consolidated financial statements are based on IFRS and have been consistent with those of the previous financial year.

The following discussion should be read in conjunction with EFH's audited consolidated financial statements and the related notes. The following commentary is current as of March 4, 2021. Additional information relating to EFH is available on SEDAR at www.sedar.com. Certain totals, subtotals and percentages may not reconcile due to rounding.

EFH uses both IFRS and certain non-IFRS measures to assess performance. Securities regulators require that companies caution readers about non-IFRS measures that do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies. EFH analyzes performance based on underwriting income and underwriting ratios such as combined, expense and loss ratios, which are non-IFRS measures. Underwriting income is defined as net earned premiums less net claims incurred, net acquisition costs, operating expenses, and excludes any impact of change in discount rate on claims and corporate expenses. Loss ratio is net claims incurred divided by net earned premiums. Expense ratio is net acquisition costs plus operating expenses divided by net earned premiums. Combined ratio is the sum of loss ratio and expense ratio.

The following discussion contains forward-looking information that involves risk and uncertainties based on current expectations. This information includes, but is not limited to, statements about the operations, business, financial condition, priorities, targets, ongoing objectives, strategies and outlook of EFH. These statements, which appear in this MD&A (including the documents incorporated by reference herein), generally can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "would", "should", "could", "trend", "predict", "likely", "potential" or "continue" or the negative thereof and similar variations.

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a projection as reflected in the forward-looking information. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific. A variety of material factors, many of which are beyond EFH's control, affect the operations, performance and results of EFH and its business, and could cause actual results to differ materially from the expectations expressed in any of this forward-looking information. Please see the "Risk Factors" set out in EFH's annual information form dated March 23, 2020.

COMPANY OVERVIEW

EFH operates in the property and casualty ("P&C") insurance industry in Canada through The Insurance Company of Prince Edward Island ("ICPEI"), a provincially regulated P&C insurance company. The Company's name was changed from Echelon Financial Holdings Inc. to EFH Holdings Inc. after receiving approval from shareholders on December 11, 2020.

The Company sold its businesses in Echelon Insurance and the unregulated warranty business of EFH in 2019 and its European operations in Qudos in 2017. On December 30, 2019, The Company also dissolved its wholly owned subsidiary CIM Re in Barbados. After the sale of Echelon Insurance and the unregulated warranty business of EFH Holdings Inc., the Company has insurance operations in ICPEI and oversight operations in EFH Holdings Inc.

The Company's stock was delisted on the Toronto Stock Exchange and listed on the TSX Venture Exchange December 23, 2020.

BASIS OF PRESENTATION

This MD&A is based on information in the audited consolidated financial statements and accompanying notes thereto for the year ended December 31, 2020 and 2019.

The results relating to Echelon Insurance, the unregulated warranty business of Echelon Financial Holdings Inc., the wind-up of CIM Re, and the settlement of New Nordic Odin Denmark lawsuit related to the sale of Qudos, have been presented as discontinued. See the Discontinued Operations section of this MD&A.

IFRS 9 FINANCIAL INSTRUMENTS AND IFRS 17 INSURANCE CONTRACTS

In March 2020, the IASB announced the delay of the implementation date for IFRS 17 to January 1, 2023 with retrospective application. Since the Company has deferred the adoption of IFRS 9 until the adoption of IFRS 17, the implementation date for IFRS 9 with retrospective application will be delayed to January 1, 2023.

FOURTH QUARTER AND FULL YEAR 2020 HIGHLIGHTS

- Net income from continued operations of $4.9 million for 2020 compared to a loss of $0.3 million for 2019 and $0.5 million in Q4 2020 compared to a loss of $0.03 million in Q4 2019.
- A 17% increase in Direct Written Premiums in 2020 over 2019 and 35% increase in Q4 2020 over the same period in 2019 as a result of growth in both the Personal and Commercial Lines. Company also started writing business in Quebec in Q4 2020.
- Combined ratio improved from 104.8% in 2019 to 93.2% in 2020 and from 109.5% in Q4 2019 to 94.9% in Q4 2020 largely due to growth in premium and lower frequency of claims.
- Closing book value per share of $1.59 compared to $1.55 at the end of the third quarter. The increase from the third quarter is the results of $0.02 from earnings per share in the fourth quarter and $0.02 from increase in accumulated other comprehensive income.

QUARTER AND YEAR ENDED DECEMBER 31, 2020 COMPARED TO QUARTER AND YEAR ENDED DECEMBER 31, 2019

The financial information below compares three and twelve months ended December 31, 2020 results with the same periods in 2019.

	3 months ended December 31		12 months ended December 31	
($ THOUSANDS except per share amounts)	**2020**	**2019**	**2020**	**2019**
Direct written and assumed premiums	11,619	8,629	43,188	36,829
Net earned premiums	10,141	8,573	37,012	32,397
Net claims incurred	5,423	6,971	19,913	22,898
Net acquisition costs	2,428	1,737	8,918	6,969
Operating expenses	1,772	674	5,675	4,094
Corporate expense	558	448	1,365	1,675
Underwriting income (loss) (1)	518	(811)	2,506	(1,564)
Investment income (2)	783	1,083	4,795	2,942
Impact of change in discount rate on claims	(241)	(71)	(342)	(457)
Net income (loss) before income taxes	502	(245)	5,594	(754)
Income tax expense (recovery)	33	(213)	698	(449)
Net income (loss) on continued operations	469	(32)	4,896	(305)
Net income (loss) on discontinued operations	-	(498)	(5,866)	45,722
Net income (loss)	469	(530)	(970)	45,417
Net income (loss) attributed to:				
Shareholders of the Company – continued operations	272	157	4,149	(127)
Shareholders of the Company – discontinued operations	-	(498)	(5,866)	45,722
Non-controlling interest – continued operations	197	(189)	747	(178)
Earnings per share				
Continued operations				
Basic	$0.02	$0.01	$0.35	$(0.01)
Diluted	$0.02	$0.01	$0.35	$(0.01)
Discontinued operations				
Basic	-	$(0.04)	$(0.49)	$3.82
Diluted	-	$(0.02)	$(0.49)	$3.78

(1) Underwriting income is defined as net earned premiums less net claims incurred, net acquisition costs, operating expenses, and excludes any impact of change in discount rate on claims and corporate expenses.

(2) Investment income consists of interest income, dividend income, and realized gains less investment expense.

Direct Written and Net Earned Premiums

In the fourth quarter of 2020, direct written premiums increased by $3.0 million compared to the same period in prior year. For the year ended December 31, 2020 direct written premiums increased by $6.4 million compared to the same period last year while net earned premiums increased by $4.6 million in comparison. The increase was largely due to rate increases in personal auto and transfer of broker business in New Brunswick and also because of new written commercial business in Quebec of $1.1 million.

Claims Incurred

For the quarter ended December 31, 2020, net claims expense was $1.5 million lower than same period in the prior year while for the year ended December 31, net claims expense was $3.0 million lower than the same period last year. This was the result of lower frequency of claims and no hurricane losses.

Acquisition Costs

Acquisition costs, which consist mainly of commissions, premium taxes and general expenses related to policy acquisitions, increased by $0.7 million in the quarter ended December 31, 2020 compared to same period last year. For the year ended December 31, acquisition costs in 2020 increased by $1.9 million compared to 2019. This increase was a result of higher premium volume for the Company and higher broker profit commission.

Operating Expenses

Operating expenses were $1.1 million higher in the fourth quarter 2020when compared to the same period last year. Q4 2019 expenses were lower than Q4 2020 largely due to inter-company management fee elimination in Q4 2019. For the year ended December 31, operating expenses were $1.6 million higher than the same period last year. This was largely because of higher amortization charges, facility expenses and salaries.

Underwriting Income

Underwriting Income of $0.5 million was recorded in the fourth quarter of 2020 compared to an underwriting loss of $0.8 million in the same period in 2019. For the year ended December 31, 2020, the underwriting income was $2.5 million while it was a loss of $1.6 million in the same period last year. The improvement in results is attributed to higher revenue and lower net claims incurred.

Impact of Change in Discount Rate on Claims

The discount rate used to discount future claims payment is based on the expected yield on investments. The discount rate used for the year ended December 31, 2020 was 1.75%, which is lower than the 2.50% used for the year ended December 31, 2019.

Investment Income

Investment income was $0.3 million lower in the fourth quarter while being $1.9 million higher year-to-date when compared to their respective periods last year. This was largely due to the sale of a majority of Common Shares portfolio in the third quarter as well as an additional investment of $6 million into the investment portfolio.

Net Income before Income Taxes

Net income before taxes was $0.5 million in the fourth quarter as compared to loss of $0.2 million in the fourth quarter of 2019. For the year ended December 31, net income before taxes recorded $5.6 million compared to a loss of $0.8 million in the same period in 2019. The improvements were largely a result of improvements in underwriting and investment results.

Income Taxes

For the quarter ended December 31, 2020, the total Income tax expense was $.03 million as compared to a tax recovery of $0.2 million for the same period last year. For year ended December 31, the income tax expense was $0.7 million as compared to a tax recovery of $0.4 million in the same period last year. See effective tax rates note 15 to the audited consolidated financial statements for the twelve months ended December 31, 2020.

Discontinued Operations

EFH settled the litigation brought on by New Nordic Odin Denmark related to the sale of Qudos in March 2017. See details in Settlement of New Nordic Lawsuit below. The parties settled litigation upon payment by EFH of $7million in the third quarter 2020 with no further recourse from claimant.

On November 9, 2018, the Company entered into a definitive agreement to sell Echelon Insurance, its main operating subsidiary, and the unregulated warranty business of Echelon Financial Holdings Inc. and the sale was completed on May 31, 2019.

Net earnings of discontinued operations for the twelve months ended 2019 includes results of Echelon Insurance and the unregulated warranty business of Echelon Financial Holdings Inc. before their disposal.

Income statement results

$ Thousands	**3 months ended December 31**		**12 months ended December 31**	
Revenues	**2020**	**2019**	**2020**	**2019**
Net earned premiums	-	-	-	133,164
Investment Income	-	-	-	4,656
Total Revenue	-	-	-	137,820
Expenses				
Net incurred claims	-	-	-	99,889
Net acquisition costs	-	-	-	31,402
Operating costs	-	-	-	16,411
Total Expenses	-	-	-	147,702
Settlement of New Nordic lawsuit	-	-	(7,000)	-
Loss before income taxes	-	-	(7,000)	(9,882)
Income tax (recovery)	-	-	(1,134)	(3,148)
Net loss on discontinued operations	-	-	(5,866)	(6,734)
Gain on sale, net of expenses	-	-	-	53,128
Wind up of CIM Re	-	-	-	(672)
Net Income (loss) on discontinued operations	-	-	(5,866)	45,722

SEGMENTED FINANCIAL INFORMATION

The segmented results below exclude corporate expenses and the impact of change in discount rate on claims.

Personal Lines

	3 months ended December 31				12 months ended December 31			
($THOUSANDS)	***2020***	***2019***	***$ Variance***	***% Variance***	***2020***	***2019***	***$ Variance***	***% Variance***
Direct written premiums	6,976	5,817	1,159	20%	28,512	25,090	3,422	14%
Net earned premiums	6,840	5,653	1,187	21%	25,594	21,800	3,794	17%
Total net claims	2,817	4,981	2,164	43%	12,675	16,796	4,121	25%
Loss ratio	41.2%	88.1%			49.5%	77.0%		
Expense ratio	40.4%	27.8%			38.9%	33.4%		
Combined ratio	81.6%	115.9%			88.4%	110.4%		
Underwriting income (loss)	1,256	(897)	2,153	240%	2,952	(2,271)	5,223	230%

Personal Lines recorded an underwriting income of $1.3 million for the three months ended December 31, 2020 compared to an underwriting loss of $0.9 million in the same period last year while recording a $3.0 million underwriting income for the year ended December 31, 2020 compared to an underwriting loss of $2.3 million in the same period of 2019. This was largely due to increase in premiums and lower claims on personal products. Direct written premiums increased by 20% in the three months and 14% for the twelve months ended December 31, 2020 compared to same periods in prior year. This increase is largely attributable to rate increases. The lower loss ratio for both three months and twelve months ended December 31, 2020 was largely due to fewer numbers of claims compared to same period last year.

Commercial Lines

	3 months ended December 31				12 months ended December 31			
($THOUSANDS)	***2020***	***2019***	***$ Variance***	***% Variance***	***2020***	***2019***	***$ Variance***	***% Variance***
Direct written premiums	4,643	2,812	1,831	65%	14,676	11,739	2,937	25%
Net earned premiums	3,301	2,920	381	13%	11,418	10,597	821	8%
Total net claims	2,606	1,990	(616)	(31)%	7,238	6,102	(1,136)	(19)%
Loss ratio	78.9%	68.1%			63.4%	57.6%		
Expense ratio	43.4%	29.0%			40.5%	35.7%		
Combined ratio	122.3%	97.1%			103.9%	93.3%		
Underwriting income (loss)	(738)	86	(824)	(958)%	(446)	707	(1,153)	(163)%

Commercial Lines recorded an underwriting loss of $0.7 million for the three months ended December 31, 2020 compared to an underwriting income of $0.09 million in the same period last year. The decline in this quarter was due to higher claims when compared to the same period last year. For the twelve months ended December 31, commercial lines recorded an underwriting loss of $0.4 million compared to $0.7 million of underwriting income in the same period in 2019. This was largely due to higher net claims incurred for the year due to a large loss in Nova Scotia. Direct written premiums increased by 65% in the quarter ended December 31 this year compared to same period last year while for the twelve months ended December 31, 2020 direct written premiums increased by 25% compared to same period in 2019. $1.1 million of new commercial business written in Quebec in the fourth quarter also contributed to the overall increase in direct written premiums. Loss ratio for both the quarter ended and twelve months ended December 31, 2020 was higher than the same period in prior year.

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial summary has been restated to exclude Discontinued Operations except for investment income, net income, earnings per share, and book value per share information.

A summary of the Company's last eight quarters is as follows:

($ THOUSANDS except per share amounts)

	2020				2019			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Direct written and assumed premiums	11,619	11,739	11,793	8,037	8,629	10,271	10,972	6,957
Net earned premiums	10,141	9,441	8,971	8,459	8,573	8,362	7,921	7,541
Underwriting income (loss)	518	431	711	846	(811)	(1,286)	128	405
Impact of change in net claims discount rate	(241)	(101)	(131)	131	(71)	(78)	(138)	(171)
Investment Income	783	3,046	987	(21)	1,083	874	430	555
Net Income (Loss)	469	(2,759)	872	448	(530)	(673)	55,602	(8,984)
Earnings (loss) per share								
(a) Basic	$0.02	$(0.25)	$0.05	$0.03	($0.03)	($0.04)	$4.64	($0.76)
(b) Diluted	$0.02	$(0.25)	$0.05	$0.03	($0.01)	($0.04)	$4.55	($0.76)
Book value per share [(1) (2)]	$1.59	$1.55	$7.52	$7.29	$7.45	$7.46	$7.48	$11.74

(1) In Q2 - 2019, the Company paid a dividend of $8.80 per share to shareholders.

(2) In Q3 - 2020, the Company paid a dividend of $5.60 per share to shareholders and loss on discontinued operations of $0.49 per share.

The quarterly results reflect the seasonality of the Company's business. Typically, quarter one and quarter four premium written is lower than quarter two and quarter three. However, underwriting results may vary significantly from quarter to quarter.

SETTLEMENT OF NEW NORDIC LAWSUIT

On August 2, 2019, New Nordic Odin Denmark (NNOD) filed a Statement of Claim with the Danish Institute of Arbitration. The Claim sought €45.8 million in damages arising from the sale of 100% of EFH's interest in QIC Holdings ApS to NNOD in March of 2017. The Statement of Claim alleged breach of contract and willful misrepresentation with respect to the amount of required reserves for Qudos claim liabilities and the overall value of Qudos. The Board concluded that it is in the best interests of EFH and the shareholders to settle the litigation for a reasonable amount. The parties have now settled litigation upon payment by EFH of C$7 million in the third quarter with no further recourse from claimant.

BALANCE SHEET ANALYSIS

The Balance Sheet analysis that follows should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020, and notes therein.

Balance Sheet Highlights

Selected balance sheet highlights and book value per share details are as follows:

($ THOUSANDS except per share amounts)	As at December 31, 2020	As at December 31, 2019
Cash and short-term deposits	11,859	70,932
Investments	44,582	48,019
Total assets	81,871	144,020
Provision for unpaid claims	29,668	26,629
Unearned premiums	22,571	18,749
Total equity attributable to shareholders	19,103	89,475
Book value per share (1)	$1.59	$7.45

(1) Shareholders' equity divided by the number of shares issued and outstanding

Cash and Short-term deposits

Cash dividend of $67.2 million was paid to shareholders in third quarter of 2020 reducing the cash and book value per share of EFH.

Investments

EFH has an investment policy that seeks to provide a stable income base to support EFH's liabilities in line with its risk appetite and tolerance. In addition to this risk-return analysis, the chosen asset mix also considers the amount of regulatory capital that is required.

EFH's investment portfolio is invested in accordance with its investment policy. Fair values for most investments are determined by reference to observable market data.

Fair Value of Investments

The following table sets forth EFH's invested assets as at December 31, 2020 and December 31, 2019.

($ THOUSANDS)	Fair values			
Available for sale	**As at December 31, 2020**	**% of Total**	**As at December 31, 2019**	**% of Total**
Fixed income				
Canadian				
Federal	6,704		5,053	
Provincial	5,163		2,771	
Municipal	110		-	
Corporate	6,747		4,336	
Total fixed income	18,724	33.2%	12,160	10.2%
Corporate value pooled fund	6,481		5,320	
Money market pooled funds	852		604	
Short-term fixed income and mortgage pooled funds	14,439		13,550	
Total pooled funds	21,772	38.6%	19,474	16.4%
Common shares				
Canadian	339		1,798	
Foreign	-		2,057	
Global Equity Pooled Fund	-		8,784	
Total common shares	339	0.6%	12,639	10.6%
Total available for sale	40,835		44,273	
Fair value through profit or loss				
Preferred shares	3,747		3,746	
Total preferred shares	3,747	6.6%	3,746	3.2%
Total investments	44,582	79.0%	48,019	40.4%
Cash and short-term deposits	11,859	21.0%	70,932	59.6%
Total investments including cash and short-term deposits	56,441	100.0%	118,951	100.0%

Impairment Assets and Provisions for Losses

EFH has an established policy to write down or make a provision for any investment with objective evidence that the value of the investment is impaired.

A gross unrealized loss of $.03 million on Available for Sale (AFS) investments at December 31, 2020 (December 31, 2019 – $0.4 million) is recorded, net of tax, in the amount of $.02 million (December 31, 2019 – $0.3 million) in Accumulated Other Comprehensive Income.

Management has reviewed currently available information regarding those financial assets where estimated fair values are less than amortized cost. For those investments that are considered impaired, the Company records the difference between the amortized cost of the financial assets and its fair value as an impairment which reduces investment income recorded in the year.

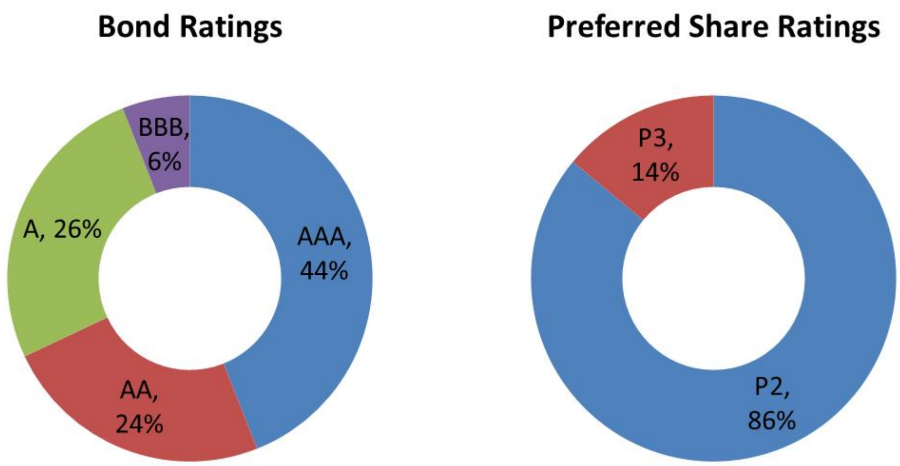
No impairments on AFS investments were recognized for the year ended December 31, 2020.

Fixed Income Securities

EFH holds fixed income securities to provide a steady, predictable level of income with reasonable liquidity and minimal risk of loss and a fixed sum at maturity. EFH's portfolio is diversified by selecting various types of government and corporate bonds. Constraints on types of issuers take liquidity, diversification and risk into account by limiting the portfolio mix by issuer.

EFH's bond portfolio has a high overall credit quality with an average rating of AA. The preferred shares have an average rating of P2. The duration of the bond portfolio is 3.2 years.

The charts below show EFH's fixed income and preferred share portfolios by credit quality as at December 31, 2020:



Common Share Portfolio

A large portion of the Common Shares Portfolio (Global Equity Pooled Fund managed by Burgundy Asset Management and the Canadian and Foreign common equities managed by Silver Heights Capital Management Inc) was sold during the third quarter. RBC Wealth Management manages the small remaining Common Shares portfolio of $0.3 million.

Recoverable from Reinsurers

($ THOUSANDS)	As at December 31, 2020	As at December 31, 2019
Reinsurers' share of unpaid claims	3,683	3,268
Reinsurers' share of unearned premiums	799	1,031
Total	4,482	4,299

As at December 31, 2020, the amount recoverable from reinsurers increased by $0.2 million, up to $4.5 million from $4.3 million as at December 31, 2019. All reinsurers, with balances due, have a rating of A– or above as determined by A.M. Best.

Accounts Receivable

($ THOUSANDS)	As at December 31, 2020	As at December 31, 2019
Agents and brokers	12,039	9,918
Other	-	102
Total	12,039	10,020

Provision for Unpaid Claims

EFH establishes loss reserves to provide for future amounts required to pay claims related to insured events that have occurred and been reported but have not yet been settled, and related to events that have occurred but have not yet been reported to EFH. Provision for unpaid claims consists of the aggregate amount of individual case reserves established and management's estimate of claims incurred but not reported and provision for adverse development. Provisions for unpaid claims are discounted to present value. The Company determines the discount rate based on the expected return on its investment portfolio of assets with appropriate assumptions for interest rates relating to reinvestment of maturing investments. The discount rates used for December 31, 2020 and December 31, 2019 for ICPEI are as below:

	As at December 31, 2020	As at December 31, 2019
ICPEI	1.75%	2.50%

Share Capital

As of March 4, 2021, there were 12,006,558 common shares issued and outstanding.

Related Party Transactions

Effective October 1, 2020, ICPEI acquired certain net assets and employees of Atlantic Adjusting & Appraisals (AAA) and Maritime Finance & Acceptance Corporation (MFAC) together with their specialized knowledge, experience and processes. This acquisition helps ICPEI in its goal of being an independent company with standalone operations and will save time, efforts and cost to build claims and policy receivables departments from scratch. There is no revenue generated from this acquisition, however, there are net savings in the expenses as this has eliminated the fees paid to AAA and MFAC.

The details of the transaction are as follows:

Cash acquired - pursuant to termination of services agreement with AAA	$800
Furniture and Equipment acquired from AAA and MFAC	$12
Liabilities assumed - Loss adjustment expenses	($655)
Net assets acquired	$157
Consideration paid in cash to AAA and MFAC	($535)
Goodwill recognized	$378

5 YEAR FINANCIAL HIGHLIGHTS

Year ended December 31					
($ THOUSANDS EXCEPT PER SHARE AMOUNTS)	**2020**	**2019**	**2018**	**2017**	**2016**
Revenue					
Direct written and assumed premiums	43,188	36,829	33,937	285,718	217,486
Net earned premiums	37,012	32,397	29,937	227,396	181,060
Underwriting expenses					
Incurred claims	19,913	22,898	19,803	156,814	110,772
Acquisition costs	8,918	6,969	7,063	51,994	41,545
Operating expenses	7,040	5,769	7,898	31,031	29,157
Total underwriting expense	35,871	35,636	34,764	239,839	181,474
Underwriting income (loss)	1,141	(3,239)	(4,827)	(12,443)	(414)
Impact of discount rate on claims	(342)	(457)	360	3,254	(2,822)
Transaction costs from sale and severance	0	0	0	(262)	(4,266)
Investment income	4,795	2,942	1,463	17,196	16,507
Income before interest expense and income taxes	5,594	(754)	(3,004)	7,745	9,005
Interest expense	0	0	0	155	217
Income tax expense (recovery)	698	(449)	(603)	947	1,670
Net income on continued operations	4,896	(305)	(2,401)	6,643	7,118
Net income on discontinued oeprations	(5,866)	45,722	4,776	0	0
Net Income	(970)	45,417	2,375	6,643	7,118
Attributed to:					
Shareholders of the Company-continued operations	4,149	(127)	4,776	6,489	6,606
Shareholders of the Company-discontinued operations	(5,866)	45,722	(2,419)	0	0
Non-controlling interest	747	(178)	18	154	512
	(970)	45,417	2,375	6,643	7,118
Earnings per share attributable to shareholders of the Company:					
Net income per share continued operations basic	$0.35	$(0.01)	$0.20	$0.55	$0.56
Net income per share continued operations diluted	$0.35	$(0.01)	$0.20	$0.54	$0.55

Selected balance sheet highlights and book value per share details are as follows:

($ THOUSANDS except per share amounts)	2020	2019	2018	2017	2016
Cash and short-term deposits	11,859	70,932	22,785	44,459	50,588
Investments	44,582	48,019	45,576	370,933	336,535
Total assets	81,871	144,020	668,216	590,586	800,219
Provision for unpaid claims	29,668	26,629	24,090	262,966	255,129
Unearned premiums	22,571	18,749	16,848	160,577	120,184
Total equity attributable to shareholders	19,103	89,475	145,667	142,822	137,414
Book value per share (1)	$1.59	$7.45	$12.21	$12.01	$11.70

(1) Shareholders' equity divided by the number of shares issued and outstanding.

LIQUIDITY AND CAPITAL MANAGEMENT

The purpose of liquidity management is to ensure there is sufficient cash to meet all of EFH's financial commitments and obligations as they come due. EFH believes that it has the flexibility to obtain, from internal sources, the funds needed to fulfill its cash requirements, during the following financial year and to satisfy regulatory capital requirements. Also see note 14 Risk Management in the audited consolidated financial statements.

EFH Holdings Inc. is primarily a holding company and, as such, has limited direct operations of its own. Its principal assets are cash and ownership of ICPEI. Selected balance sheet items of EFH Holdings Inc. as at December 31, 2020 are as follows:

($ THOUSANDS)	
Cash and short-term deposits	$4,408
Investment in Insurance Subsidiary	$14,361
Other assets	$596
Liabilities	$319

Accordingly, its future cash flows depend on its investment income and the availability of dividends and other statutorily permissible distributions from ICPEI. The ability to pay such dividends and to make such other distributions is limited by applicable laws and regulations of the jurisdictions in which the insurance subsidiary is domiciled, which subject the insurance subsidiary to significant regulatory restrictions. These laws and regulations require, among other things, that the insurance subsidiary maintain minimum solvency requirements and may also limit the amount of dividends that the insurance subsidiary can pay to its parent.

The Minimum Capital Test ("MCT") ratio of ICPEI as at December 31, 2020 was 312%, which comfortably exceeds the supervisory target of 150%.

COVID-19 PANDEMIC

The rapid spread of the COVID-19 virus, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken in Canada and globally in response to COVID-19, have significantly disrupted business activities. ICPEI implemented its emergency operational plan which included transitioning most employees to work from home and only a small number of staff in the office to perform functions which could not be performed remotely. Although the office was closed to the public, claim services and support for brokers continued during that time. Since June, 2020, ICPEI has resumed full operations in its office in Charlottetown.

ICPEI has provided a number of accommodations to its policyholders if they experience hardship because of COVID-19 and have adjusted their auto premiums due to reduction of use. ICPEI has only experienced a very minor increase in the number of customer defaults and very few requests to lower monthly premiums based on lower usage of vehicles. These did not have a significant impact on both the operations and investment results of the Company.

ACCOUNTING POLICIES

The audited consolidated financial statements have been prepared in accordance with IFRS. Please refer to note 4 of the audited consolidated financial statements.

CONTROLS AND PROCEDURES

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited consolidated financial statements and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For a description of EFH's accounting policies, which are on an IFRS basis, refer to note 4 of the audited consolidated financial statements for the year ended December 31, 2020. A description of EFH's critical accounting estimates and assumptions is also detailed in note 5 of the audited consolidated financial statements.

ADDITIONAL INFORMATION

Additional information relating to EFH, including the most recent annual information form, the annual financial statements for the year ended December 31, 2020 and accompanying MD&A, is available on the Company's SEDAR profile at www.sedar.com.