BUILDING CONFIDENCE

TAKING ACTIONS TO PROTECT NEW BRUNSWICKERS

2025-2026 Annual Report

FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK

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FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK

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TRANSMITTAL LETTER

August 12, 2026

Minister of Finance and Treasury Board,

I am pleased to present the annual report describing the operations of the Financial and Consumer Services Commission of New Brunswick (Commission) for the fiscal year April 1, 2025 to March 31, 2026.

We would be pleased to answer any questions that you may have and to provide you with any additional information that you may require.

Yours very truly,

Original signed by Paul Van Iderstine

Paul Van Iderstine
Chair

WHO WE ARE

The Commission is New Brunswick's financial market authority. It is a self-funded Crown corporation under Part IV of the *Public Service Labour Relations Act*, and is responsible for the administration and enforcement of the following financial and consumer services legislation:

- *Auctioneers Licence Act*
- *Collection and Debt Settlement Services Act*
- *Commissioners for Taking Affidavits Act*
- *Consumer Product Warranty and Liability Act*
- *Consumer Protection Act* [1]
- *Cooperatives Act*
- *Cost of Credit Disclosure and Payday Loans Act*
- *Credit Reporting Services Act*
- *Credit Unions Act*
- *Direct Sellers Act*
- *Financial Advisors and Financial Planners Title Protection Act* [2]
- *Financial and Consumer Services Commission Act*
- *Franchises Act*
- *Gift Cards Act*
- *Insurance Act*
- *Loan and Trust Companies Act*
- *Mortgage Brokers Act*
- *Nursing Homes Pension Plans Act*
- *Pension Benefits Act*
- *The Pooled Registered Pension Plans Act*
- *Pre-arranged Funeral Services Act*
- *Real Estate Agents Act*
- *Securities Act*
- *Securities Transfer Act*
- *Unclaimed Property Act*

1. The *Consumer Protection Act* received Royal Assent on June 7, 2024, and will come into force on a future date.
2. The *Financial Advisors and Financial Planners Title Protection Act* was proclaimed and came into force on January 1, 2026.

Commission employees work together to promote a strong and fair financial marketplace for all New Brunswickers.

WHAT GUIDES US

Our Purpose

Giving New Brunswickers confidence in their financial lives.

Our Mandate

To provide regulatory services that protect the public interest while enhancing public confidence, and to promote understanding of the regulated sectors through educational programs.

Our Vision

Working together for regulatory excellence in financial and consumer services for New Brunswickers.

Our Values

Accountable

Be accountable for our work, our words and our actions.

Supportive

Work collaboratively, support learning and growth and celebrate each other's successes.

Professional

Bring our best to the table every day to deliver high quality, forward-thinking work.

Inclusive

Respect and welcome different ideas, strengths, beliefs, interests, personal situations and diverse backgrounds.

Respectful

Treat each other and the people we serve with dignity and respect.

Ethical

Act with integrity, be trustworthy and fair.

Our Pillars and Goals

Pillar 1: Consumer and Market Participants

Reduce risk and harm and build trust, awareness and fairness in financial and consumer services for New Brunswickers.

Pillar 2: Continuous Process and Systems Improvement

Excel in the development of effective, practical and responsive regulatory services.

Pillar 3: People

Build upon a highly skilled workforce that is passionate about what we do.

Pillar 4: Financial Stability

Optimize our financial capacity to accomplish our mandate and deliver value to New Brunswickers.

Pillar 5: Environmental, Social and Governance (ESG)

Embrace the ethical and practical values of ESG toward a more inclusive, sustainable and prosperous future.

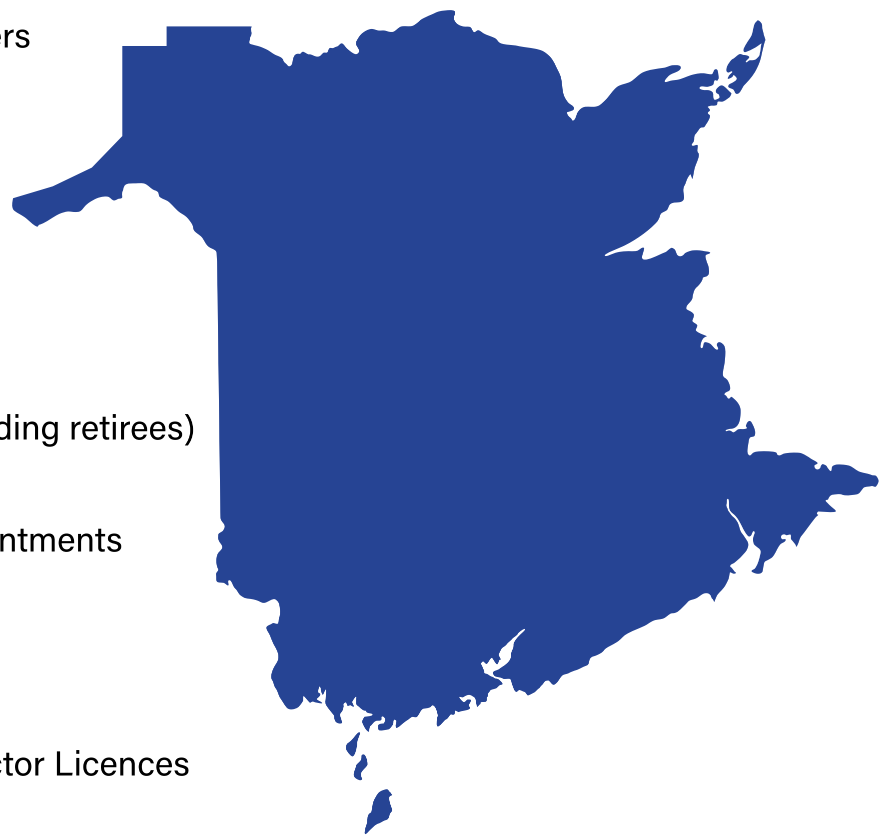
WHO WE SERVE

870,000
New Brunswickers through regulation and financial education.

50,000 industry participants who handle over **$50 billion** of New Brunswick consumers' money.

Our provincial footprint as of March 31, 2026

4 Payday Lender Licences
6 Credit Unions and **58,456** Members
7 Credit Reporting Licences
35 Auctioneers' Licences
45 Loan and Trust Companies
104 Pre-arranged Funeral Licences
155 Cooperatives
219 Registered Pension Plans and
109,836 Active Members (not including retirees)
572 Mortgage Broker Licences
668 Commissioners of Oaths Appointments
730 Cost of Credit Registrations
763 Direct Sellers Licences
1,902 Real Estate Licences
2,396 Collection Agency and Collector Licences
189 Insurance Companies
18,661 Licensed Individuals in Insurance
1,584 Licensed Firms in Insurance
6,160 Reporting Issuers in Securities
16,607 Registered Individuals in Securities



HOW WE WORK

At the Commission, we build and maintain trust in New Brunswick's financial and consumer markets through seven main activities:

Licensing and Registration

We license or register more than 50,000 entities and individuals in New Brunswick across a wide variety of industries to make sure they are suitable for our marketplace.

Regulatory Policy Development

We develop regulatory proposals by consulting industry and stakeholders, and working collaboratively with provincial, national and international regulatory and industry associations on global regulatory concerns, trends and initiatives. The Commission Members and the Minister of Finance and Treasury Board (Minister) provide oversight of this process.

Compliance Reviews

We regularly conduct compliance reviews on the operations of businesses and individuals operating in our regulated sectors to make sure they are abiding by New Brunswick's financial and consumer services legislation and meeting their obligations to consumers and investors.

Education

We help New Brunswickers avoid fraud, understand their rights and make informed decisions by providing clear, unbiased information about the sectors we regulate. We share alerts with information about current financial frauds and scams and unlicensed or unregistered activity in our regulated sectors through our website, social media and email updates. We also offer in-person and virtual presentations, professional development webinars, educational brochures, videos and online tools on many financial topics. All of our education resources and programs are available in both official languages.

Inquiries and Complaint Handling

Every day, New Brunswickers contact us with consumer and investor inquiries and complaints. For those that fall under financial and consumer services legislation, we review to determine whether rules or requirements have been violated and if further action is needed.

Enforcement

Sometimes, the information we receive from complaints, audits, compliance activities or referrals from other sources leads to investigations. These investigations may indicate that people or entities have violated New Brunswick's financial and consumer services legislation. If they do, we use our legislated authority to hold the people or entities accountable through hearings or regulatory remedies, collaborating with law enforcement or other regulators when necessary. If we believe sanctions or financial penalties are warranted, we can take a case to the New Brunswick Energy and Utilities Board, which provides independent adjudication and oversight under the *Financial and Consumer Services Commission Act*, or to the provincial courts, depending on the circumstances.

Reuniting Owners with Unclaimed Property

Every year, thousands of dollars go unclaimed in New Brunswick, forgotten in credit union accounts, uncashed cheques, security deposits and more. We operate New Brunswick's Unclaimed Property Program and work with businesses and other entities who are holding unclaimed property (holders) to help return this property to the rightful owners. New Brunswickers can use FundsFinderNB.ca, a free database, to search for and claim monetary property that belongs to them.

OUR HIGHLIGHTS

1 rule amended: Insurance Rule INS-001 *Insurance Intermediaries Licensing and Obligations.*
See page 25

3 acts updated: *Securities Act, Pension Benefits Act* and *Commissioners for Taking Affidavits Act.*
See page 23, 25 and 20

8 proposed rules published for comment to support the *Consumer Protection Act.*
See page 24

1 act proclaimed: *Financial Advisors and Financial Planners Title Protection Act* on January 1, 2026.
See page 24

FUNDS FINDERNB

176 businesses reported $8.19 million of unclaimed property.

To date, 798 claimants have been reunited with $3.65 million.

8 industry representatives from across Canada participated on our inaugural pensions technical working group.
See page 28

1,400+ consumer and investor complaints and inquiries fielded.

90+ people participated in our walks for World Elder Abuse Awareness Day in both Saint John and Fredericton.

90.4% employee engagement rate with a 95% survey participation rate.

2 office expansions.

THE COMMISSION CONNECTION

1st anniversary of The Commission Connection, a quarterly e-newsletter to help industry participants stay informed about the Commission's work and activities.

46 caution alerts, 2 fraud alerts and 3 consumer alerts and/or news releases issued to warn New Brunswickers about unlicensed or illegal activity in our regulated areas.

243 individuals completed the Commission's e-learning module about financial exploitation of older and vulnerable adults.

2,403 New Brunswickers attended in-person and virtual financial education presentations.

225 attended our Fraud Prevention Month webinars in March.

96% increase in traffic to Finances50plus.FCNB.ca, our website dedicated to helping older adults prepare and protect their retirement.

34% of New Brunswickers are DIY investors, up from 27% in 2025.*

41% of New Brunswickers are aware of a provincial agency in place to protect consumers, up from 35% in 2024-2025.*

52% of New Brunswickers are aware of licensing requirements for financial professionals, up from 44% in 2024-2025.*

* Thinkwell Research + Strategy, 2026 New Brunswick Consumer Awareness Survey.

NAMED A TOP EMPLOYER IN ATLANTIC CANADA FOR 2026

We were honoured to be named one of Atlantic Canada's Top Employers for 2026 – a recognition that speaks not only to what we do, but to who we are as an organization and to the people who give it life every day.

Organized by Mediacorp Canada Inc., Atlantic Canada's Top Employers recognizes organizations in Canada's Atlantic Provinces that lead their industries in offering exceptional places to work. Employers are reviewed on eight criteria: workplace; work atmosphere and social; health, financial and family benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement.

This distinction acknowledges our commitment to fostering a workplace where employees feel supported and connected to meaningful work. It is also a testament to how deeply our purpose – Giving New Brunswickers confidence in their financial lives – is woven into our culture and our daily work.

Creating a workplace where people thrive

Flexibility and well-being

- 76 per cent of staff participated in flexible work arrangements
- 47 per cent of staff participated in our summer hours program, providing additional flexibility to enjoy the summer months
- 66 per cent of employees took advantage of our wellness benefits offering
- Wellness committee organized eight activities throughout the year, including wellness challenges, webinars and wellness walks

Flexible work options and wellness supports help our people do their best work.

Professional training and skills development are part of how we support employees to grow and succeed.

Learning and development

- 57 per cent of employees used training budgets to improve their learning and skills
- Provided employees with free access to I.D.E.A. resources, webinars and conferences throughout the year as an Employee Partner with the Canadian Centre for Diversity and Inclusion

Inclusion, diversity, equity and accessibility training helps us build a workplace where everyone feels respected and supported.

Connection, communication and culture

- Social committees in both offices organized activities to bring employees together, including cultural celebrations, office challenges and year-end events that fostered connection across teams
- Published two issues of our internal newsletter to celebrate the work and lives of employees inside and outside the office
- Organized walks in support of World Elder Abuse Awareness Day in both Fredericton and Saint John. See page 31
- Fundraised for Hestia House in Saint John and Women in Transition in Fredericton
- Participated in Saint John's Pride Parade

Our annual Walk for World Elder Abuse Awareness Day is a popular event among staff.

OUR COMMISSION MEMBERS

Paul Van Iderstine (Chair)

Residence: Moncton
Term: Oct. 31, 2019 – Nov. 3, 2026

Ginny MacDonald

Residence: Fredericton
Term: Dec. 8, 2023 – Dec. 7, 2026

Michèle Hébert

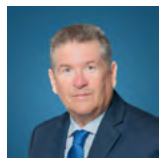
Residence: Shippagan
Term: Dec. 8, 2023 – Dec. 7, 2027

Greg McKim

Residence: Moncton
Term: Dec. 8, 2023 – Dec. 7, 2025 [3]

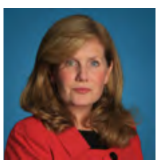
Norma Kelly

Residence: Sussex
Term: Oct. 31, 2019 – Dec. 14, 2025 [3]



Douglas Gaudett

Residence: St. George
Term: Apr. 23, 2025 – April 22, 2027



Catherine Lahey, K.C.

Residence: Saint John
Term: Dec. 15, 2022 – Dec. 14, 2027

Tania Morris

Residence: Dieppe
Term: Nov. 4, 2021 – Apr. 23, 2028

Lucie Boucher's term ended on April 23, 2025.

3. While these terms were scheduled to end in December 2025, as provided in the *Financial and Consumer Services Commission Act*, they will remain in office until they resign, are reappointed or replaced.

GOVERNANCE

The Commission is accountable to the Government of New Brunswick (GNB) through the Minister of Finance and Treasury Board for the proper administration of New Brunswick's financial and consumer services legislation. The respective responsibilities and expectations of the Commission and the Department of Finance and Treasury Board are set out in a Memorandum of Understanding, which is published on our website [4]. The Commission Members act as the board of directors. They are responsible for the independent governance of the Commission through approving and overseeing policy proposals, making rules that have the force of law, setting and overseeing the Commission's strategic direction and budget, and management oversight, including reviewing risks and opportunities facing the organization. They place a high value on transparent disclosure practices and create an annual report on governance practices to reflect that value. For further details regarding Members' ethical standards and obligations, continuing education, attendance, remuneration as well as committee activities, see the full report on our website [5].

4. https://fcnb.ca/en/about-the-fcnb/mous
5. https://fcnb.ca/en/about-the-fcnb/governance

The Commission Members, led by the Chair, are appointed by the Lieutenant-Governor in Council. The number of Members cannot be less than five nor more than 10. When they identify the need for a new Member, they play an active role in the nomination process that leads to candidate recommendations to government. To assist with the process, the Commission uses a profile for the ideal composition of the Commission Members as a whole, which is regularly updated through the succession planning process. The profile sets out the mix of backgrounds, skills and experience required to guide the Commission's strategy and ongoing business operations. When a vacancy presents, the skills for a replacement candidate are set by doing a profile analysis. The Commission believes that diversity among Members enriches both its decision-making and its regulatory role by bringing a variety of perspectives to discussions. The Commission supports the appointment of candidates who reflect the gender and linguistic representation as well as the cultural and geographic diversity of the province.

This year, new Member orientation materials were updated, and an orientation session was delivered to one new Member. With a focus on building strategic governance, the Commission Members participated in a group education session on the topic of Strategic Decisions that Shaped the Commission's Communications and Outreach Approach, as well as a session by staff from Executive Counsel's Office on the Machinery of Government and the Appointment Process. The Commission's Human Resources and Governance (HRG) Committee conducted the review and assessment of applicants and provided candidate recommendations to government for three Member positions due to vacant and expiring terms. The Audit and Risk Management (ARM) Committee focused on the engagement of an external auditor through the Request for Proposals (RFP) process, which was completed in the fall. Additionally, the Commission conducted its biennial governance assessment, led by the HRG Committee, to evaluate the effectiveness of the Commission as a whole, its standing committees and individual Members. The assessment combines an anonymous Members' questionnaire, input from senior management and structured discussions between the Chair and Members, supporting continuous improvement and strong, independent governance practices across the organization.

Standing committees

The Audit and Risk Management Committee is responsible for reviewing the Commission's risk management policies and procedures, financial reporting and public disclosure, audit processes, internal audit and systems of internal controls as established by management and the Commission. It meets at least five times each year. Members included: Norma Kelly (Chair), Tania Morris, Michèle Hébert, Doug Gaudett and Paul Van Iderstine (*ex officio*).

The Human Resources and Governance Committee is responsible for reviewing and approving important human resources policies and for setting management's compensation structure. It is also responsible for governance-related matters, such as board assessments, Member succession planning, member orientation and continuing education and CEO and Chair evaluations. It meets at least four times each year. Members included: Lucie Boucher (Chair until April 23, 2025), Catherine Lahey (Chair as of May 8, 2025), Greg McKim, Ginny MacDonald and Paul Van Iderstine (*ex officio*).

Official languages

We are committed to providing quality services to members of the public in their official language of choice. All publicly available resources and programs are available in both official languages. We strive to meet the spirit of the Province of New Brunswick's Language of Work Policy and Guidelines by promoting a balanced use of both official languages in the workplace. We offer second language training to our employees through online training programs tailored to their language needs. Although language of work and language of service have separate applications, we view their connection as essential to the overall commitment of the organization to official languages matters.

Public interest disclosure

The *Public Interest Disclosure (PID) Act* encourages employees in the provincial public service to report any wrongdoing that has occurred or is about to occur in the workplace that is potentially unlawful, dangerous to the public or harmful to the public interest. The *PID Act* protects employees from reprisal for disclosing these wrongdoings and provides a fair and objective process for those employees who are alleged to have committed a wrongdoing. We received no disclosures or claims made against any employee of the Commission under the *PID Act* in 2025-2026.

Summary of recommendations from the Office of the Auditor General

We are required to report on the status of Auditor General recommendations for the past five years. We are pleased to report we have no outstanding recommendations at the time of publication of this annual report.

LETTER FROM THE CHAIR

Building confidence requires more than intent – it requires results. This report highlights how, over the past year, the Commission has worked diligently to strengthen confidence in New Brunswick's financial and consumer marketplaces through transparent processes, responsible oversight and a firm commitment to the public good.

We work to achieve this through regulation that aims to stop harm before it happens; and enforcement when harm has occurred. Yet consumer protection is not built on regulation alone. It must be paired with education that empowers New Brunswickers to become questioning and informed consumers and investors. This combination – strong regulation and oversight, enforcement and proactive education – forms the backbone of our mandate.

Building confidence also requires that, as society evolves, so too must the regulatory frameworks that protect its citizens. As new risks, technologies and market practices emerge, we continue modernizing policies using an evidence-informed approach – shaped by data, trend analysis and stakeholder feedback. This commitment ensures our decisions remain both responsive and forward-looking.

Confidence is also about who is protected. Whether through modernized legislation or our education and outreach efforts, we kept a clear focus this year on those with the least ability to protect themselves. Our presentations to seniors and newcomer groups across the province – along with continued enrolment by professionals, caregivers, family members and older adults in our online course, *Financial Exploitation of Older Adults* – demonstrate our commitment in this area.

We know that public protection in the consumer and financial marketplaces is a shared responsibility. Throughout the year, we collaborated extensively with our provincial and territorial counterparts, national, provincial and local industry associations, and with government – listening carefully and sharing expertise while remaining firmly anchored in our mandate.

None of this work would have been possible without the professionalism and dedication of the Commission's employees, whose expertise and judgment are central to administering 25 pieces of complex legislation with fairness and integrity. I am equally grateful to the Commission Members, including those whose terms have concluded, for their lasting contribution to strengthening financial and consumer regulation in New Brunswick.

This report is, above all, an invitation: to see how we are building confidence in the financial marketplaces, to examine the progress made, to review our results and to hold us to the commitments we set for ourselves in our 2025-2028 Strategy and Business Plan. Building confidence is an ongoing effort grounded in transparency, accountability and actions, and one we remain committed to advancing on behalf of New Brunswickers.

Original signed by
Paul Van Iderstine

Paul Van Iderstine
Chair

LETTER FROM THE CEO

Confidence is not merely an attribute for us; it's a commitment we turn into action every day. Our purpose – giving New Brunswickers confidence in their financial lives – guides the work we do, the standards we set and the outreach we deliver. This year's theme, Building Confidence, reflects how our purpose is translating into tangible outcomes for New Brunswickers and the sectors we regulate.

Over the past year, we advanced legislative reforms to strengthen consumer and investor protection and trust, culminating in amendments to the *Securities Act*, the *Pension Benefits Act* and the *Commissioners of Taking Affidavits Act* receiving Royal Assent in December 2025. On January 1, 2026, New Brunswick's title protection regime for financial advisors and financial planners came into force, bringing clarity where there once was ambiguity and reinforcing trust where trust is imperative. In February 2026, we published for comment eight rules to support the province's *Consumer Protection Act* – new legislation that, when in force, will help protect New Brunswickers when they are making personal and household transactions, from shopping online to putting down a deposit for future home renovations.

But rules alone do not build confidence. Engagement does. This past year, we initiated our regulatory engagement framework and assembled a group of industry stakeholders from across Canada to serve as part of a technical working group to examine new approaches to defined contribution decumulation. I want to thank the members for their time and effort; meaningful progress is possible when diverse voices contribute honestly and constructively.

Public confidence is also reinforced by programs and services that work for New Brunswickers. When unclaimed monetary property is returned to rightful owners, when timely alerts are issued to warn of fraud or unlicensed activity, when communities are reached with targeted education and support – these actions signal that we are working to create a strong and fair financial marketplace for all.

And in moments that call for collective responsibility, our people have shown leadership. In June 2025, more than 90 individuals wearing purple T-shirts – including Commission staff and members of the provincial government – joined our Walks for World Elder Abuse Awareness Day in Saint John and Fredericton, a visible reminder to safeguard the most vulnerable people in our population. Meanwhile, our education specialist visited 14 communities across the province, delivering presentations that translate complex financial topics into practical knowledge. These efforts remind us that empowerment starts with building confidence and understanding.

Because of our dedicated employees and the progress we've made as an organization to create a positive workplace environment, I am grateful to report we were named one of Atlantic Canada's Top Employers for 2026. This is a significant honour and I could not be prouder of what we've accomplished together in making the Commission a workplace that prioritizes well-being, work-life balance, inclusivity, accessibility and professional growth. Our employees' participation in engagement surveys – more than 90 per cent in recent years – reflects a workforce that is invested in our vision.

To our staff: thank you. You have taken our purpose – giving New Brunswickers confidence in their financial lives – and made it real. Together, we will keep building trust, protecting consumers and investors, and building public confidence in our financial markets by ensuring they work fairly for everyone.

Original signed by
Kevin Hoyt

Kevin Hoyt
CEO

STRATEGIC PRIORITIES REPORT CARD

Each year, the Commission publishes a Strategy and Business Plan that sets out our purpose, strategic goals, objectives and action items for the upcoming three years. It is shaped by our legislated mandate as contained in the *Financial and Consumer Services Commission Act*, and expanded upon in the Mandate Letter, received from the Minister of Finance and Treasury Board. The 2025-2028 Strategy and Business Plan [6] was delivered to the Minister on February 18, 2025.

The report card that follows highlights work done to advance our strategic goals and reports our performance results on the strategic outcomes documented in our Strategy and Business Plan. The annual report is designed to meet the requirements of both the *Financial and Consumer Services Commission Act* and the *Accountability and Continuous Improvement Act*, which was implemented in 2014, to greater align the corporate priorities and goals of Crown corporations with those of the Province.

6. https://fcnb.ca/en/about-the-commission

PILLAR 1: CONSUMERS AND MARKET PARTICIPANTS

GOAL

Reduce risk and harm, and build trust, awareness and fairness in financial and consumer services for New Brunswickers.

OBJECTIVES

Excel in strategic, flexible policy development responsive to market changes.

Enhance stability of market participants, market integrity and consumer and investor protection.

Build and increase awareness and financial confidence among consumers and market participants.

ALIGNMENT WITH GNB PRIORITIES

Economic Development, Leadership You Can Trust, Affordability and Housing, Education

INITIATIVES

Responsive Regulation:

1 *Securities Act* modernization

Completed: An *Act to Amend the Securities Act* received Royal Assent on December 12, 2025. The amendments increase investor protection, enhance confidence in New Brunswick's capital markets, harmonize our regulatory framework with other Canadian securities regulators and allow the Commission to respond dynamically to and foster evolving capital markets. Among the changes are: authorization to recognize and oversee an independent dispute resolution service to handle investor complaints; stronger enforcement tools, including protections for confidential informants and whistleblowers; increased fines and administrative penalties to strengthen compliance and deter misconduct; expanded authority to issue administrative penalties by notice for matters not requiring a full hearing; provisions to address the use of promotional activities when they are misleading; and a reduction of regulatory burden by allowing deemed receipt for certain prospectus filings.

2 Increase consumer protection

Ongoing: The *Consumer Protection Act* received Royal Assent in June 2024. The Act, intended to increase consumer rights and improve fair business practices in the province, will provide a legal framework for most day-to-day consumer transactions and better align New Brunswick with our counterparts across the country. On February 17, 2026, eight proposed rules [7] to support the legislation were published for a 120-day comment period. The rules, which provide specific requirements, exemptions and procedures that businesses and consumers must follow, cover a range of areas from consumer agreements and direct sellers to cost of credit disclosure and unfair practices. The Act will come into force on a fixed date decided by government following the finalization of the rules.

3 Title protection

Completed: The *Financial Advisors and Financial Planners Title Protection Act* [8] came into force on January 1, 2026, enhancing consumer and investor protection by providing New Brunswickers clarity and confidence when working with professionals holding these titles. Prior to the Act's proclamation, the Minister of Finance and Treasury Board approved two accompanying Rules [9] on November 7, 2025. Under the Rules, individuals who choose to use the financial advisor or financial planner (or similar) title will need to hold an approved credential from a Commission-approved credentialing body and meet minimum standards of education. These requirements will be phased in over time to help industry and their clients adapt to the new legislation. The title protection regime is voluntary. Professionals will be able to choose whether to obtain an approved credential, which will allow them to use one of the protected titles, or choose not to use one of the protected (or similar) titles.

4 *Pension Benefits Act* amendments

Ongoing: An *Act respecting Pension Benefits* (amendments to the *Pension Benefits Act*) received Royal Assent on December 12, 2025. The amendments address issues related to fixed-cost pension plans, simplify the unlocking provisions for pension funds, align better with other jurisdictions and provide a greater range of options for the retirement and financial needs of New Brunswickers. The *Pension Benefits Act* amendments will come into force on a fixed date decided by government following the finalization of supporting regulations.

7. https://fcnb.ca/sites/default/files/2026-02/2026-02-17-RforC-Consumer Affair Rules-E_2.pdf
8. https://laws.gnb.ca/en/pdf/cs/2023, C.3.pdf
9. https://fcnb.ca/en/personal-finances/financial-advisors-and-financial-planners

5 Insurance Rule amendments

Completed: Rule INS-001 *Insurance Intermediaries Licensing and Obligations* [10] was implemented on February 1, 2023 as part of phase one of the *Insurance Act* modernization. Rule INS-001 introduced new licence types, licensing qualifications and educational requirements for licensees and market conduct rules for insurance intermediaries. Since its initial implementation, both industry and staff provided feedback on Rule INS-001. In response, proposed amendments to Rule INS-001 were published for a 60-day comment period, which concluded on April 18, 2025. The Commission received 10 submissions, which were generally supportive of the proposed changes. The amended Rule INS-001, which came into force on October 1, 2025:

- Aligns New Brunswick more closely with the lines of insurance that entry-level agents in other jurisdictions can sell.
- Clarifies the expectations with respect to supervision and oversight.
- Adds language so that potential applicants from outside the province can plainly see their rights are respected under the Canadian Free Trade Agreement.
- Allows life and accident & sickness agents and agencies to add travel as part of their application or existing licences.
- Clarifies sections for operational or housekeeping purposes.

6 Modernizing *Insurance Act*

Ongoing: We continued with the second phase of our project to modernize the province's *Insurance Act*, building on the amendments during phase one in 2021. This phase focused on strengthening the Superintendent's oversight and updating substantive law for insurance contracts.

10. https://fcnb.ca/sites/default/files/2025-10/Rule INS-001 Insurance Intermediaries Licensing and Obligations.pdf

7 Review of Unclaimed Property Rules

Ongoing: We initiated a review of Rule UP-001, which came into effect in 2021. Based on industry and staff feedback, we expect to publish proposed amendments in 2026 to address pension-related property, registered-plan amounts and other technical or housekeeping matters.

Compliance, Enforcement and Consumer Protection:

8 Holder awareness

Completed: We launched a campaign targeting holders of unclaimed property to make them aware of the mandatory reporting requirements under the *Unclaimed Property Act* and key reporting dates. The three-month multimedia campaign included digital, print and radio ads and electronic and direct mail. We also collaborated with Chartered Professional Accountants New Brunswick, the Law Society of New Brunswick, chambers of commerce throughout the province, the Canadian Bar Association-New Brunswick and the Conseil économique du Nouveau-Brunswick to inform their audiences of the requirements. As of March 31, 2026, 396 unique holders have reported more than $46.7 million in unclaimed property since the launch of the Unclaimed Property Program.

We also launched awareness campaigns in May and November to encourage New Brunswickers to search for unclaimed property on FundsFinderNB.ca. The campaign included digital ads, social media, bus advertisements, billboards and postcards mailed to households in targeted counties where millions of dollars are waiting to be claimed. This fiscal year, the website saw more than 67,000 visits. Since the program's launch, it has reunited 798 claimants with more than $3.6 million in unclaimed money.

$46.7 million
reported to date by
396 holders

$3.6 million
returned to
798 claimants

9 Procedures roadmap for improved enforcement of judgments

Completed: We created and deployed a comprehensive roadmap for staff on enforcing monetary judgments. It covers how and where to conduct due diligence searches and the registration of judgments. It also provides guidance to staff on how to initiate sheriff enforcement, conduct debtor examinations and other considerations, such as CRA refund setoff, reversing transactions and how to navigate the bankruptcy process.

10 Timely consumer and investor alerts

Completed: To warn consumers and investors of fraud and emerging risks in the areas we regulate, we offer an email subscription service so New Brunswickers can receive timely and critical consumer and investor fraud alerts delivered to their inbox. In 2025-2026, we issued 46 investor alerts on individuals or firms and two consumer alerts about unlicensed or illegal activity in the consumer markets we regulate. We also shared two fraud alerts (one from the Canadian Anti-Fraud Centre) and issued a news release to warn New Brunswickers about unlicensed door-to-door selling.

46
investor alerts

2
consumer alerts

2
fraud alerts

1
news release about unlicensed door-to-door selling

Stakeholder Engagement and Education:

11 Advisory panels for regulated sectors

Completed: We continued work on an initiative to further engage and consult with industry stakeholders using advisory panels. These proposed panels would engage members of our regulated sectors in various capacities (technical or strategic) and provide a structured and consistent process to gain their insights and points of view on regulatory projects and emerging issues. To support the initiative, we developed a framework, which outlines processes and mechanisms on gathering input using focus groups, industry roundtables and technical working groups to support regulatory initiatives for the 2026-2027 fiscal year. To launch this initiative, we issued a call for applications in September 2025, seeking a group of pension industry stakeholders to serve as part of the first technical working group on a proposed defined contribution decumulation framework [11]. Its kickoff meeting was held on December 1, 2025.

12 Consumer education brand

Ongoing: Throughout the year, we dedicated significant effort to developing Finfo, a new consumer education program designed to empower New Brunswickers with unbiased financial information and practical tools. The Finfo website will offer bilingual interactive resources, calculators and guidance to help visitors make informed financial decisions. After months of planning, content creation and technical development, the public launch of Finfo is anticipated in spring 2026, accompanied by a comprehensive awareness campaign. This initiative reflects our commitment to enhancing financial well-being and confidence for all New Brunswickers.

11. https://fcnb.ca/en/personal-finances/pension-administrators/technical-working-group-on-a-defined-contribution-decumulation-framework

13 Educational and outreach programs

Completed: Over the past year, we developed and implemented a range of targeted educational and outreach initiatives designed to address key priority areas and to meet the diverse needs of New Brunswickers. These initiatives were designed to ensure relevance and impact to the audiences we serve.

The Commission's flagship *Permission to Pause* multi-media campaign continued to emphasize the importance of licence and registration requirements in protecting consumers and investors and to encourage New Brunswickers to actively verify the credentials of financial professionals in our regulated sectors. This highly effective campaign has helped New Brunswickers better protect themselves when making important financial decisions – such as purchasing a home, buying from a direct seller, choosing insurance or investing. *Permission to Pause* normalizes and encourages New Brunswickers to "pause and check" before taking financial action. This message was delivered through multiple channels, including billboards and bus advertisements, cinema and mall placements, digital and radio ads, and a strong presence on social media. Over multiple years, the campaign has substantially increased public awareness of licensing and registration requirements and driven real behaviour change, with more New Brunswickers actively checking before they commit their money. This means greater confidence, reduced risk of harm and clearer access to trustworthy information at the moments that matter most, supporting safer financial decisions across the province.

The Permission to Pause *campaign emphasized checking licensing and registration is a simple first step New Brunswickers can take to protect themselves.*

We conducted theme-month campaigns during Investor Education Month (October), Financial Literacy Month (November) and Fraud Prevention Month (March). During Investor Education Month, we hosted screenings of the award-winning documentary *This is Not Financial Advice* at the University of New Brunswick campuses in Fredericton and Saint John, followed by a virtual Q&A with the director. The events created space for young New Brunswickers to discuss topics addressed in the film, ranging from social media influence to investing fundamentals.

During the film screening, UNB students in Fredericton heard how financial influencers and social media are impacting young investors.

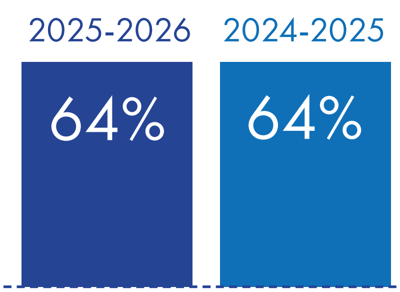
For Financial Literacy Month, we continued to promote resources that focused on developing the financial resilience and adaptability of New Brunswickers and to support the Financial Consumer Agency of Canada's (FCAC) theme for the month, *Talk M$NEY*. To align with the FCAC's goal to encourage financial discussions, we promoted our *Permission to Pause* campaign, published findings from our most recent Consumer Index Survey and shared FCAC resources. For Fraud Prevention Month, we focused on reaching older adults and those who work or care for them with messaging about deepfakes and other ways that scam artists disguise themselves using Artificial Intelligence. We held two webinars (in English and French) that were attended by a total of 225 participants.

2 webinars attended by 225 participants

We provided presentations to five newcomer associations, reaching 64 newcomers and equipping them with essential information about our regulated sectors. We also continued our efforts to protect older and vulnerable adults from financial abuse with a digital awareness campaign and our second annual Walks for World Elder Abuse Awareness Day (WEAAD) on June 4 in both Saint John and Fredericton. In addition to Commission staff, members of the Senior's Advocate Office, the Alzheimer's Society, the Minister Responsible for Women's Equality and Minister of Seniors, and the Minister of Finance and Treasury Board, along with staff from both departments, participated in the Fredericton walk. In June, we also co-hosted a webinar with Women's Equality titled *Money as We Age: Women and Financial Exploitation*, which examined the links between gender, aging and financial abuse and provided strategies to support women's financial well-being. It attracted 198 attendees. To expand awareness about financial exploitation, we promoted our free, on-demand e-learning course, The *Financial Exploitation of Older Adults: The invisible crime of the 21st century*. In 2025-2026, 243 individuals, including college students, industry professionals, older adults and their caregivers and family have completed the course. The New Brunswick Community College continues to include the course in its geriatrics program.

Our comprehensive outreach initiatives have demonstrated success, as evidenced by New Brunswickers' confidence in consumer protection. According to our 2025-2026 Consumer Index, this confidence remained stable at 64 per cent from the previous year.

New Brunswickers' confidence in consumer protection



14 Behavioural-based interventions incorporated

As Chair of the CSA Investor Education Committee, we established and participate on a new CSA Online Harm Task Force. The task force combines the Investor Education, Communications and Enforcement committee chairs to serve as a single touchpoint and a forum to collaborate on developing interventions integrating behavioural science and communications best practices with real-time enforcement insights and learning to enhance consumer protection. In our capacity as Chair, we also proposed and led a behavioural experiment to empirically test the effectiveness of online fraud deterrent communications on social media. The project included the development of a toolkit with proven effective messaging, to be shared with stakeholders, with the goal to make these effective interventions as widely available as possible. Locally, the Commission's Unclaimed Property Division applied behavioural insights to communications to improve holder compliance. Leveraging best practices, the Commission adjusted its messaging to businesses that may be holding unclaimed property as a way to improve overall holder compliance rates. Of the 216 letters sent to selected businesses in 2025-2026, 42 completed and returned a compliance confirmation form.

Performance Measure for the Consumer and Market Participant Goal

Performance Measure	2025-2026 Target	2025-2026 Result	2024-2025 Result
Completion of responsive regulation strategic initiatives	6	95%	N/A
Enforcement matters investigated within 10 months of case assessment completion	70%	100%	N/A
Enforcement matters resolved (closure, other remedy without action, or commencement of tribunal proceedings) within six months of investigation report submission.	70%	100%	N/A
Public awareness of the Commission	35%	37%	35%
Public confidence in consumer and investor protection	60%	64%	64%

PILLAR 2: CONTINUOUS PROCESS AND SYSTEMS IMPROVEMENT

GOAL

The Commission optimizes organizational performance through integrated technology, efficient regulatory processes and strategic resource management.

OBJECTIVES

Advance IT infrastructure to support scalable, reliable processes, responsive to changing regulatory needs.

Maintain a modern regulatory licensing environment that supports efficient regulatory processes and positive user experience.

Build a continuous improvement culture and capacity for process optimization to enhance operational efficiency.

ALIGNMENT WITH GNB PRIORITIES

Leadership You Can Trust

INITIATIVES

Technological Infrastructure:

1 Optimize technology infrastructure

Ongoing: We continued to strengthen our technology environment by advancing key improvements that supported system stability and helped ensure our technology infrastructure met evolving organizational needs. We will continue to follow our cloud roadmap to modernize and refine our technology infrastructure to support the delivery of a resilient and reliable platform for the Commission's regulatory operations.

Regulatory Process Modernization:

2 Modernizing our licensing systems

Ongoing: We launched a multi-year project to modernize our regulatory licensing and registration platform and improve our licensing portal used by consumers and market participants. This initiative is a significant strategic priority for the Commission and is expected to have a substantial impact on how we deliver regulatory services over the coming years. To help us with the project, we engaged an external consultant and invited members of our regulated sectors, who use our portal, to participate in a survey. More than 50 users provided feedback, which will help guide improvements to the portal's functionality and the overall user experience.

50+ users provided feedback on the portal's functionality

Continuous Improvement:

3 Implementing a project portfolio management framework

Ongoing: We initiated development of a comprehensive project portfolio management system to streamline project status reporting, standardize procedures and enhance our project management practices. This multi-year initiative will evolve over time as we continue to improve project delivery across the organization.

4 Enhance data-informed decision-making

Ongoing: We continue to advance the foundational work required to strengthen data-driven decision-making across the organization. Initial activities include identifying our data analytics needs, implementing tools, and supporting staff training to build internal capabilities. We will continue to advance these activities to establish a data analytics framework that supports cross-divisional data analysis capabilities and enables more effective use of organizational data.

5 AI use policy, guidance and staff training

Completed: To promote the ethical, secure and effective use of Artificial Intelligence (AI) tools within our organization, we developed a comprehensive directive that outlines best practices and safeguards for AI deployment. We also developed specific guidance on the use of Microsoft 365 Copilot, ensuring that staff understand how to leverage this tool responsibly and efficiently. To further support our employees, we delivered targeted training sessions to our staff, focusing on the directive and its applications, and engaged external expertise to provide specialized training on Copilot and how it can be used to enhance efficiency and productivity.

Performance Measure for Continuous Process and Systems Improvement Goal

Performance Measure	2025-2026 Target	2025-2026 Result	2024-2025 Result
Service standards response times	=>90%	96%	95.3%
Implementation of cloud optimization roadmap	25%	24%	N/A
Continuous modernization of regulatory systems	20%	13.5%	N/A

PILLAR 3: PEOPLE

GOAL

Build upon a highly skilled workforce that is passionate about what we do.

OBJECTIVES

Build a high-performing workforce by attracting, developing and retaining top talent.

Foster a positive and inclusive work culture that enhances employee engagement, well-being and organizational alignment.

ALIGNMENT WITH GNB PRIORITIES

Leadership You Can Trust, Economic Development

INITIATIVES

Workforce development:

1 Developed a Talent Acquisition Strategy

Ongoing: To strengthen our workforce and ensure we can meet evolving organizational needs, we developed a two-year Talent Acquisition Strategy, which prioritizes the recruitment and onboarding of essential roles within the organization with guidance from McLean & Company, an independent HR research firm. Implementation work will take place over the next two fiscal years to advance the strategy and deliver measurable improvements across the talent lifecycle.

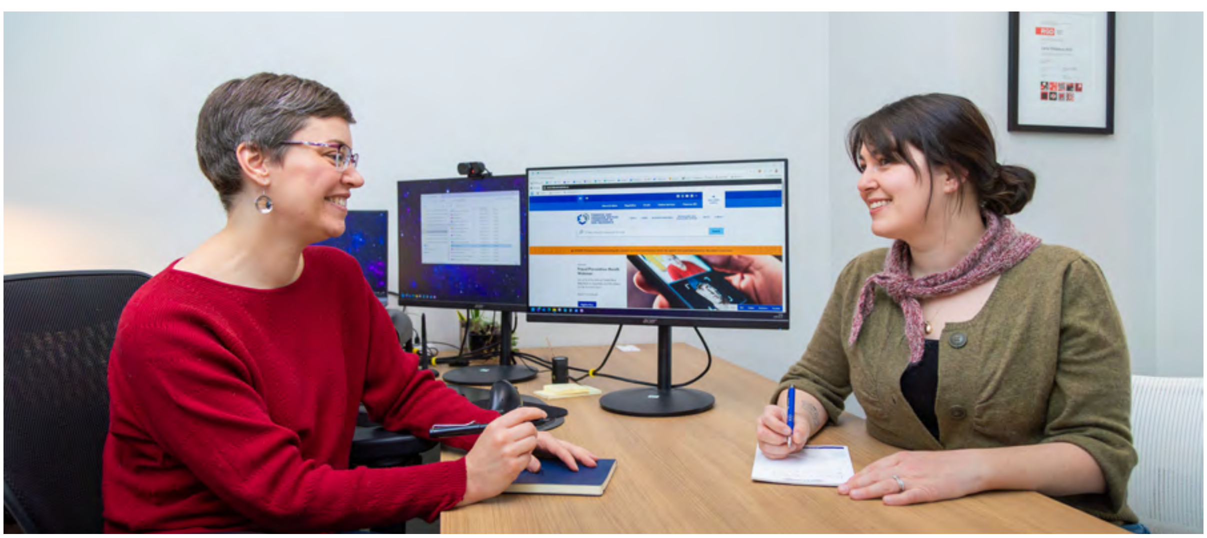
2 Developed a Talent Retention Strategy

Ongoing: Drawing on our commitment to building a high-performing workforce, we developed a Talent Retention Strategy that focuses on fostering employee growth, recognizing achievements and providing flexible learning opportunities. By prioritizing professional development and celebrating successes, we aim to create an environment where employees feel valued and empowered and can continuously build their skills. The strategy's implementation will begin in the new fiscal year.

People-centric culture:

3 Timely and relevant internal communications

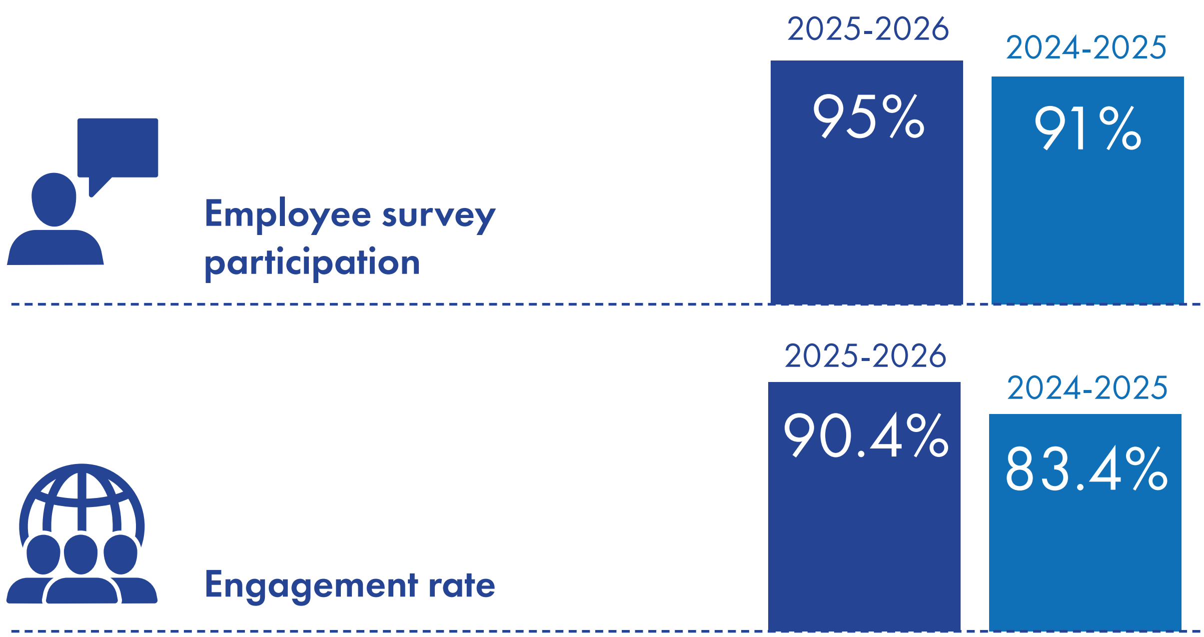
Completed: Understanding that employee communications are central to fostering a strong corporate culture, we use various tactics to regularly communicate with our staff. Our Intranet serves as a dynamic hub for employee and corporate news, resources and meeting updates, enabling staff to stay connected and informed. Regular town hall meetings with executive, along with our spring and fall all-staff meetings, provide valuable opportunities for progress updates, dialogue and staff recognition. Our bi-annual employee newsletter delivers employee stories, curated highlights and organizational updates to further strengthen engagement and culture. Our quarterly Coffee with Executive Management event offers a unique forum for employees to connect directly with our CEO and VPs, ask questions and share feedback. Notably, we completed 92 per cent of the tactics outlined in our 2024-2027 internal communications strategy, demonstrating our commitment to a positive, inclusive and well-informed workplace culture.



We employ a number of tactics to foster connection, communication and culture.

4 Employee engagement

Completed: We continued our commitment to employee engagement by conducting our annual engagement survey for the second consecutive year with McLean & Company. This partnership enables us to benchmark our results against ourselves and track progress over time. This year, 95 per cent of employees participated in the survey, up from last fiscal's 91 per cent participation rate. The overall engagement rate came in at 90.4 per cent, up from the previous engagement rate of 83.4 per cent. Insights gathered from the survey, conducted during January-February 2026, will help us identify strengths and opportunities for improvement to ensure we maintain a positive and supportive workplace culture.



5 Enhancing employee well-being

Completed: We are committed to fostering a supportive work environment that prioritizes psychological safety, wellness and organizational alignment. By collaborating with our Joint Health and Safety Committees and our Wellness committees in each location, we delivered several initiatives to promote mental health, physical well-being and workplace connection. In addition, we provided onsite health assessment clinics, an annual flu shot program, workplace violence prevention training and respectful workplace training. Our robust policies ensure a safe and respectful workplace for everyone.

Performance Measure for People Goal

Performance Measure	2025-2026 Target	2025-2026 Result	2024-2025 Result
Employee engagement score	=>75%	90.4%	83.4%

PILLAR 4: FINANCIAL STABILITY

GOAL

Optimize financial capacity to accomplish our mandate and deliver value to New Brunswickers.

OBJECTIVES

Ensure financial capacity to accomplish our mandate.

Deliver value to our key audiences.

ALIGNMENT WITH GNB PRIORITIES

Economic Development, Leadership You Can Trust

INITIATIVES

1 Effective resource planning

Completed: Working with our directors and executive team, the budget for 2026-2027 was prepared and submitted to government on February 18, 2026 in tandem with our 2026-2029 Strategy and Business Plan.

2 Published annual financial report

Completed: On July 31, 2025, we delivered to the Minister our 2024-2025 Annual Report detailing progress on legislative and operational priorities. We posted the annual report on the Commission's website on September 8, 2025.

3 Income targets met

Completed: We met our targeted net incomes while maintaining an effective regulatory regime.

$7.20 million
2025-2026 target

$9.46 million
2025-2026 result

4 Implement an internal audit program

Ongoing: The Commission continued to advance the implementation of its internal audit program as part of its commitment to strong governance and continuous improvement. Using an outsourced model with an external firm of internal auditors, in January 2026, work began on creating the audit universe. Key documents and policies were shared as well as one-on-one interviews conducted with leadership team members, the Commission Chair and the Chair of the Audit and Risk Management Committee. Information gathered will help establish the audit framework with the plan to integrate this function into the Commission's broader governance and risk management processes.

5 Reviewed fees

Completed: We are funded by the regulatory fees and assessments paid by the sectors we oversee, which establishes the Commission as an independent regulator. The authority to set rules regarding these fees is granted by the *Financial and Consumer Services Commission Act*. We monitored and had ongoing discussions with our regulatory sectors regarding the industry participation fees to ensure they continue to support maintaining our financial capacity. With the *Financial Advisor and Financial Planner Title Protection Act* coming into force on January 1, 2026, the Commission expects to collect additional fees from approved credentialing bodies.

Performance Measure for Financial Stability Goal

Performance Measure	2025-2026 Target	2025-2026 Result	2024-2025 Result
Net income target	$7.20 M	$9.46 M	$10.51 M
Actual to budget variances	<5%	-6.6%	-9.04%
Deliver strategic plans, budgets and reports as per statutory requirements.	100%	100%	100%

PILLAR 5: ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

GOAL

Embrace ethical and practical values of ESG toward a more inclusive, sustainable and prosperous future.

OBJECTIVES

Integrate ESG principles into regulatory practices, ensuring alignment with societal expectations.

Advance Inclusion, Diversity, Equity and Accessibility (I.D.E.A.) in organizational practices.

Support robust governance practices and right-sized reporting to our board.

ALIGNMENT WITH GNB PRIORITIES

Environment, Leadership You Can Trust

INITIATIVES

1 Served on inter-jurisdictional committees

Completed: We actively participate on inter-jurisdictional committees and apply the learnings from these forums to strengthen our regulatory, policy and program development. Through employee representation on committees that have an impact on ESG factors, we help ensure our regulatory standards remain consistent with societal values. Over the last year, our employees participated on the following committees:

- Mortgage Brokers Regulators Council of Canada
- Government of Canada Consumer Measures Committee
- Credit Union Prudential Supervisors Associate (CUPSA) Executive Committee and CUPSA's Climate Risk Committee of Community Practice
- Canadian Council of Insurance Regulators (CCIR) Climate change, Natural Catastrophes and Consumer Awareness Working Group

- CCIR/Canadian Insurance Services Regulatory Organization Fair Treatment of Consumers
- Canadian Association of Pension Supervisory Authorities Executive Committee
- The Canadian Securities Administrators (CSA) Investment Funds Committee, which is monitoring ESG-related investment funds; CSA Mining Committee, which is working to revamp standards of disclosure for mineral projects; CSA Investor Education Committee; CSA Diversity Committee; CSA Vulnerable Investors Committee; the CSA Communications Committee and the CSA Climate Disclosure Committee [12], and the CSA Indigenous Information Sharing Hub
- North American Securities Administrators Association (NASAA) Diversity, Equity and Inclusion Board Level Committee; and NASAA Investor Education Section, Investor Education Training Project Group, Seniors Outreach Project Group and Strategic Communications Project Group, which provide training, resources and information to regulators and investor education coordinators on investor education related to ESG topics and ensuring diversity and inclusion in their investor outreach efforts.

2 Employee I.D.E.A. training

Completed: To advance I.D.E.A. training for our employees, we maintained our partnership with the Canadian Centre for Diversity and Inclusion, offering complimentary access to a wide range of webinars, learning sessions, documents and resources in both English and French. In addition, we curated a bank of approved I.D.E.A. materials to support employees in meeting their annual self-study goal of four hours. As a result, we achieved 100 per cent of our overall 388-hour training target for the year.

100% completion of overall 388-hour I.D.E.A. training target

12. The CSA paused its work on the development of a new mandatory climate-related disclosure rule and amendments to the existing diversity-related disclosure requirements on April 23, 2025

3 Design an I.D.E.A. framework

Ongoing: We continued developing an I.D.E.A. framework. To further foster an environment of inclusion, diversity, equity and accessibility at the Commission, our employees and their family and friends proudly participated in Saint John's Pride Parade, putting our values into action. We also worked on an e-learning course on accessibility for employees in advance of the province's *Accessibility Act* coming into force. The course will review different types of disabilities, assistive technologies and accessibility best practices that can be applied to our work to ensure that all New Brunswickers can engage with our content and become confident participants in New Brunswick's financial marketplaces. The course will launch to coincide with Global Accessibility Awareness Day on May 21, 2026.

4 Stakeholder funding requests

Completed: In addition to our general criteria, we consider ESG factors when assessing funding requests from stakeholders for events or initiatives. We've established that at least 50 per cent of our approved stakeholder requests must meet the ESG criteria. This year, 100 per cent of our approved stakeholder requests met our ESG criteria.

100% of approved stakeholder funding requests met our ESG criteria

5 Organizational purpose activation plan

Completed: Over the past year, we implemented the remaining actions in our two-year purpose activation plan, including adding purpose discussions into the strategic planning process, incorporating purpose into our project templates, introducing a standing discussion point on purpose at our Leadership Team meetings, and having our leaders connect legislative projects to our purpose at our fall staff meeting. During our fall staff meeting, our purpose was further emphasized by our guest speaker, who spoke about building a culture of excellence around a central purpose. With our plan now fully implemented, our purpose is considered activated. Our shared north star – "Giving New Brunswickers confidence in their financial lives" – will continue to show up naturally in planning, decision-making and day-to-day conversations across the Commission.

6 Member training

Completed: We provided four hours of Commission-led mandatory training to Members on emerging governance trends, best practices and our regulatory areas. The Commission places high value on providing continuing education to Members to enhance their governance skills.

Performance Measure on Environmental, Social and Governance Goal

Performance Measure	2025-2026 Target	2025-2026 Result	2024-2025 Result
Number of interjurisdictional committees Commission staff participate on with ESG impact.	10	14	10

OUR LEADERSHIP

As of March 31, 2026

Name	Title
Kevin Hoyt	Chief Executive Officer
Véronique Long	Vice President, Corporate Services
Angela Mazerolle	Vice President, Regulatory Operations; Superintendent of Insurance, Pensions, Pooled Registered Pension Plans, Credit Unions and Loan and Trust Companies Director of Mortgage Brokers, Consumer Affairs and Cooperatives
Liz Byrne-Zwicker	Chief Information Officer
Fiona Boffa	Director, Human Resources Division
Kathryn Finn	Director, Regulatory Policy Division
Maryse Gagnon-Ouellette	Director, Pensions Division
Deborah Gillis	Director, Legal Services Division
Jeff Harriman	Director, Finance and Facilities Division
To-Linh Huynh	Executive Director, Securities Division Director of Financial Advisor and Financial Planner Title Protection
Alicia Love	Corporate Secretary and Corporate Governance Counsel
Alaina Nicholson	Director, Consumer Affairs Division
Susan Powell	Director, Enforcement Division
Arvind Raguraman	Director, Information Technology Services Disivsion
Andrew Richardson	Director, Financial Institutions and Unclaimed Properties Division
Marissa Sollows	Director, Communications and Public Affairs Division
Jennifer Sutherland Green	Director, Insurance Division

Compliance Reviews

Related Act	2025-2026	2024-2025	2023-2024	Focus of Review
Collection and Debt Settlement Services Act	43	50	92	Financial statement reviews
Pre-arranged Funeral Services Act	15	30	21	Trust account inspections
Mortgage Brokers Act	23	24	15	Reviews for general adherence to legislation
Insurance Act	144	86	204	Compliance reviews [13]
	6	6	6	Solvency reviews of provincially licensed insurers
	2	2	5	Review of insurance brokerage's trust account
Securities Act	1	0	1	Investment Fund Manager, Portfolio Manager and/or Exempt Market Dealer
	1	0	0	Scholarship plan dealer (NB location) compliance review
	2	2	2	Mutual Fund Dealer compliance review
	0 [14]	0	1	Continuous disclosure reviews
	874	809	694	Report of exempt distribution reviews
	7	6	6	Annual filing reviews: NB registrants, cooperatives and CEDCs
Direct Sellers Act	73	78	72	Compliance reviews of direct seller contracts
Credit Unions Act	14	11	10	Compliance examinations
Cost of Credit Disclosure and Payday Loans Act	348	168	202	Compliance reviews of cost of credit disclosure contracts
	2	2	2	Payday lender licensing reviews
	0	0	0	Payday lender compliance reviews

13. The increase in compliance reviews in 2023-2024 was due to the new requirement for insurance intermediaries to be licensed under Rule INS-001, which came into force in February 2023. It required adjusting firms, agencies, managing general agents and restricted insurance representatives to be licensed. This led to more reviews and action taken by compliance staff due to some of the complexity involved in the applications. The decrease in 2024-2025 was due to staffing levels.
14. One review in progress but not completed.

Consumer Affairs

Industry	Licence Type	2025-2026	2024-2025	2023-2024
Auctioneers	Auctioneer Licence	35	33	31
Collections	Agency Licence	51	50	54
	Branch Licence	38	40	42
	Collector Licence	2,307	2,110	2,133
Commissioner of Oaths	Provincial	667	658	610
	Foreign	1	0	2
Cost of Credit Disclosure	Company Registration	397	271	308
	Branch Registration	300	125	205
	Individual Registration	33	30	28
Payday Lenders	Payday Lenders Licence	4	5	5
Credit Reporting	Agency Licence	7	4	5
Direct Sellers	Vendor Licence	68	72	67
	Salesperson Licence	695	674	443
Mortgages	Mortgage Brokerage Licence	84	81	67
	Mortgage Associate Licence	289	175	172
	Mortgage Broker Licence	177	140	128
	Mortgage Administrator Licence	22	22	20
Pre-arranged Funerals	Provider Licence	45	47	46
	Manager Licence	59	60	53
Real Estate	Agent Licence	91	87	80
	Branch Licence	39	42	40
	Manager Licence	156	163	147
	Salesperson Licence	1,616	1,679	1,629
All Industries	**Total Licences**	**7,181**	**6,568**	**6,315**

Enforcement

Investigations

Investigations	Regulatory Area	2025-2026	2024-2025	2023-2024
Ongoing cases carried forward [15]	All areas	17	17	23
Cases opened by regulatory area	Collection & Debt Settlement	1	2	0
	Cost of Credit and Payday Loans	0	1	0
	Direct Sellers	2	1	1
	Financial Institutions	0	0	1
	Insurance	0	1	0
	Mortgage Brokers	1	1	0
	Pre-arranged Funerals	0	0	0
	Real Estate	1	0	3
	Securities (including Canadian Investment Regulatory Organization)	3	4	13
	Matters involving 2+ regulatory areas	1	0	1
	Scams reported to the Commission	34	28	25
Total cases opened	All areas	43	38	44
Cases concluded by regulatory area	Collection & Debt Settlement	0	0	0
	Cost of Credit and Payday Loans	0	1	0
	Direct Sellers	3	1	0
	Financial Institutions	0	0	1
	Insurance	1	0	0
	Mortgage Brokers	0	1	1
	Pre-arranged Funerals	0	0	0
	Real Estate	1	2	5
	Securities (including Canadian Investment Regulatory Organization)	2	8	8
	Matters involving 2+ regulatory areas	3	3	0
	Scams reported to the Commission	33	28	25
Total cases concluded [15]	All areas	43	44	40
Investigation orders issued	All areas	0	3	3

15. Some cases had been opened in preceding years.

Activities

Enforcement	2025-2026	2024-2025	2023-2024
Proceedings commenced before the Tribunal [16]	2	2	0
Hearings held before the Tribunal	1	3	5
Decisions/Orders issued by the Tribunal	2	5	4
Other matters before the Tribunal	0	0	3
Staff appeals to the Court of Appeal	0	0	0
Decisions of the Court of Appeal	0	0	0
Matters held before the Court of Appeal	0	0	0

Referrals

Referrals	2025-2026	2024-2025	2023-2024
Referrals from Commission regulators	6	6	4
Reported scams to the Canadian Anti-Fraud Centre (CAFC)	27	34	43
Reported scams to CAFC that resulted in posting a caution	15	0	9
Referrals from Canadian Investment Regulatory Organization (CIRO)	2	3	0
Referrals from other regulators	1	0	1 [17]
Referrals from foreign regulators	0	1 [18]	1 [19]
Companies placed on the NB Caution List as a result	46	29	29

16. On June 16, 2023, the functions and duties of the Tribunal were transferred to the Energy and Utilities Board.
17. Referral from the Ontario Securities Commission.
18. Referral from the Financial Industry Regulatory Authority (FINRA).
19. Referral from Commissione Nazionale per le Societa e la Borsa (CONSOB), Italy.

Insurance

Individual licence

Individual Licence Type	2025-2026	2024-2025	2023-2024
Life insurance agents/brokers	4,178	3,033 [20]	3,360
General insurance agent and other than life agent or broker	7,359	5,267 [20]	6,139
Accident and sickness agents [20]	184	151	231
Travel agents	516	482	436
Special insurance brokers	22	21	13
Adjusters [20]	2,270	1,541	2,242
Total number of licences produced [21], [22]	**14,529**	**10,495**	**12,421**
Total number of licensees	**18,661**	**16,563**	**15,332**

20. Rule INS-001 changed the renewal process for agents and adjusters, allowing agents without disciplinary actions or conditions to receive a two-year licence upon their second renewal, and adjusters to be eligible for a two-year licence after holding their licence for two consecutive years. Prior to the Rule, agents had to wait until their fifth renewal to be eligible for a two-year renewal.
21. Includes intermediaries holding more than one licence.
22. Number of licences produced reflects the licences issued during the fiscal year. The number is less than the total number of intermediaries, as some intermediaries hold two-year licences issued in the previous year.

Firm licence

Firm Licence Type	2025-2026	2024-2025	2023-2024
Adjusting Firm	42	33	16
Agency	993	954	657
Managing General Agent	140	138	95
Restricted Insurance Representative	409	410	361
Total number of licences produced	**1,584**	**1,349**	**1,129**

Insurance companies operating in New Brunswick

Category	Our Role	2025-2026	2024-2025	2023-2024
Companies based in NB	Primary regulator (licensing, solvency and market conduct)	6	6	6
Companies that were federally or internationally headquartered	Licensing and market conduct	150	154	158
Companies based in another province	Licensing and market conduct	33	34	37

Loan and Trust Companies

Primary Jurisdiction	2025-2026	2024-2025	2023-2024
Total Provincial	0	0	0
Alberta	1	1	1
Quebec	1	1	1
Federal	43	44	46
Total Extra-Provincial	**45**	**46**	**48**

Cooperatives

Category	2025-2026	2024-2025	2023-2024
Agriculture	22	24	24
Consumer	20	20	20
Fishery	4	6	6
Housing	22	20	17
Services	77	84	82
Forestry	5	6	6
Worker	5	5	5
Total	**155**	**165**	**160**

Pensions

Pensions and Related Submissions	2025-2026	2024-2025	2023-2024
Pension Plan Registrations	4	2	2
Pension Plan Amendment Registrations	65	68	101
Pension Plan Wind-Up Approvals	9	7	7
Annual Information Returns Reviewed	219	235	210
Actuarial Valuation Reports Reviewed	41	44	43
Standard Contract Registrations	0	12	10
Standard Contract Amendment Registrations	0	38	36
LIF/RRIF Transfer Approvals	847	868	838

Securities

Corporate Finance activity

Corporate Finance Activity	2025-2026	2024-2025	2023-2024
Reporting issuers	6,160	5,968	5,853
Reporting issuers (New Brunswick-based)	9	9	8
Prospectus filings (non-mutual funds)	297	280	509
Mutual fund prospectus filings	4,219	4,046	4,273
Annual information forms	1,039	1,124	1,042
Reports of exempt distribution	874	809	694
Exemption applications (non-passport)	13	14	7
Cease-trade order	0	0	0
Management cease-trade order	0	0	0

Registration activity

Registration Activity	2025-2026	2024-2025	2023-2024
Registered firms	529	516	512
Registered firms (New Brunswick-based)	3	3	3
Branches/Sub-branches in New Brunswick	489	494	494
Registered individuals	16,607	15,540	14,968
Registered individuals (New Brunswick residents)	1,580	1,556	1,545

Unclaimed Property

Category	Activity	2025-2026	2024-2025	2023-2024
Holder Reporting	Number of reporting holders	176	183	153
	Number of properties reported	72,048	24,953	63,374
	Total amount reported	$8.19 million	$6.46 million [23]	$29.14 million [24]
Claimants [25]	Number of claims submitted	586	697	898
	Number of claims pending (requiring additional information or being reviewed)	103	536	369
	Number of claims approved	249	338	209
	Total approved claim amount	$955,000	$1.85 million	$824,000
	Total approved claim amount since program launch (October 2023-March 31, 2025)	$3.65 million		
	Average claim amount	$3,835	$287	$249
	Largest approved claim (can be multiple properties)	$44,244	$353,000	$97,000
	Largest cash amount still unclaimed	$100,000	$93,000	$93,000
	Largest value amount still unclaimed [26]	$746,000	$557,000	$557,000
	Number of claims denied or withdrawn	443	503	320
Website	Number of visits to FundsFinderNB.ca/ MesFondsNB.ca	67,419	58,812 [27]	423,883 [28]
	Number of database searches for unclaimed property [25]	96,688	103,878	242,576
	Average number of property searches per visit	5	3	6.14

23. The reporting period for holders runs annually from January 1 to March 31. Because of the 2024 postal strike and this being a new program, many reports were expected to come in after the deadline. The reported amounts received after March 31, 2025 will appear in next year's annual report totals.
24. The majority of holders during the 2023 reporting period reported after the March 31, 2023 deadline. As a result, most of the amount of reported property appears in the 2023-2024 fiscal year despite being part of the 2023 reporting period.
25. The claims portion of the website (FundsFinderNB.ca) was launched in the fall of 2023.
26. Value amount is an amount held inside an investment/securities.
27. The number of visits reported in the 2024-2025 annual report included duplicate data. The 2024-2025 figure reported above reflects accurate visit counts to the website.
28. Number of pageviews (the total number of times each page is viewed on the site) rather than the number of users. In 2024, the Commission changed its reporting and tracking structure and no longer reports on total pageviews.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 2026

Dated June 24, 2026

This Management's Discussion and Analysis (MD&A) is intended to help the reader understand the Financial and Consumer Services Commission of New Brunswick (Commission)'s operations, financial performance and current and evolving regulatory landscape. While the financial statements present actual financial results, the MD&A offers management's perspective, explaining these results and outlining the Commission's plans and budget for the upcoming year.

This MD&A should be read in conjunction with the Commission's financial statements, including related notes, for the fiscal year ending March 31, 2026. Unless otherwise noted, any reference to a year corresponds to the Commission's fiscal year ending March 31. For example, "2026" means the fiscal year ending March 31, 2026.

All financial information related to 2025 and 2026 has been prepared according to International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board ("IASB").

The terms "we", "us", "our", and "Commission" refer to the Financial and Consumer Services Commission of New Brunswick and references to the "Act" refer to the *Financial and Consumer Services Commission Act*.

While management considers the assumptions in this MD&A reasonable at the time of publication, they do not guarantee future performance. Certain statements outlining 2027 expectations are forward-looking and subject to risks and uncertainties.

Overview

The Commission is a self-funded Crown corporation (under Part IV of the *Public Service Labour Relations Act*). With offices in Saint John and Fredericton, the Commission's operations are funded through a variety of fees and assessments collected from those we regulate. We are accountable to the New Brunswick legislature through the Minister of Finance and Treasury Board.

Commission staff maintain accounting and internal control systems to provide reasonable assurance that financial information is complete, reliable and accurate and that assets are adequately protected.

This year, the Commission exceeded budget expectations in both revenue and net income, driven by continued growth of our regulated sectors. Modernizing our fee rules continues to positively impact our results, and our ongoing commitment to operational efficiencies has also strengthened the Commission's financial performance.

Financial Highlights

Category	Budget 2026	Actual 2026	Actual 2025	Actual 2024
Revenue	$27,108,812	$28,054,737	$27,574,849	$26,137,304
Expenses	19,898,400	18,588,143	17,064,462	15,798,532
Excess of revenue over expenses	7,210,412	9,466,594	10,510,387	10,338,772
Total assets		35,961,775	30,310,317	25,465,145
Total liabilities		27,939,254	22,612,793	17,812,811
Total equity balance		8,022,521	7,697,524	7,652,334
Distributions to government		**$9,141,597**	**$10,465,197**	**$9,742,041**

The Commission exceeded both budgeted revenue and net income expectations, while maintaining effective cost management. Notable revenue increases were observed across various regulated sectors, particularly in the issuance of insurance, mortgage broker and commissioners of oaths licences. A slight decrease in our securities revenue was related mostly to the timing of various filings.

With lower interest rates throughout most of the year, our investment returns decreased.

The Commission recovered approximately $4.1 million through various assessments, including a claim against the unclaimed property fund for approximately $176,000.

The total excess of revenue over expenses in fiscal 2026 was $9.5 million. This was lower than the previous year, but remains well ahead of budgeted expectation. Revenue amounted to $28.1 million, an increase of $480,000 compared to the previous year.

The Commission's revenue is derived from five primary sources:

- Filing, registration, license and application fees paid by regulated entities and individuals (with the securities sector constituting the largest source at 68.6% of total revenue).
- Assessments charged to the insurance and credit union sectors as well as the restricted unclaimed property fund.
- Administrative penalties, recoveries of costs and other monetary orders issued by the Tribunal.
- Vested unclaimed property.
- Investment income and miscellaneous charges.

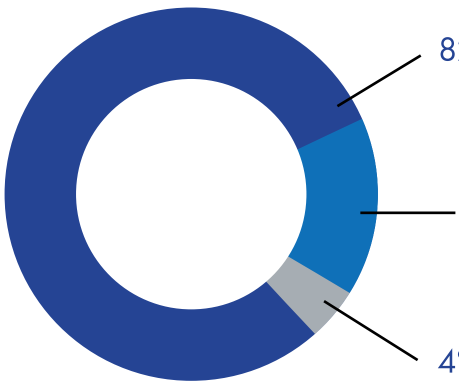
The expenses incurred for operating all our programs amounted to $18.6 million, approximately $1.5 million above the prior year as expected, while significantly below the allocated budget of $19.9 million. This was primarily due to the following factors:

- Salaries and benefits costs: Salary adjustments and increased staffing levels were the key factors in the annual cost increase over the prior year results, but still below budget. The timing of new hires impacted annual costs.
- Outreach program costs: We successfully planned and executed numerous outreach programs, effectively managing the costs throughout the year, resulting in expenditures coming in under budget.
- Adjudication costs: The Energy and Utilities Board's continued management of the Tribunal has resulted in sustained savings. Costs were also impacted due to slightly lower-than anticipated activity levels.
- Travel and training costs: Our commitment to continuous learning resulted in similar costs compared to the previous year. We remained within budget, as staff efficiently leveraged existing technology for training and regulatory duties.
- General administration expenses: These remained notably below budget as we continue to seek opportunities to optimize our spending.

The organization's financial position strengthened further in 2026. Total assets increased to $36.0 million, up from $30.3 million in 2025 and $25.5 million in 2024, driven primarily by the unclaimed property program and the recognition of the value of our new office lease in Fredericton. Total liabilities rose to $27.9 million, reflecting the new lease liabilities and other accrued obligations.

Revenue Analysis

Revenue analysis – Fiscal 2026



Registrations, licences and filings

Activity Fee	Actual 2026	Actual 2025	Change
Prospectus and distribution filings	$10,668,650	$11,138,700	$(470,050)
Registration fees	6,396,303	5,993,719	402,584
Financial filing fees	2,092,900	2,204,150	(111,250)
Licences and fees	3,799,225	3,490,683	308,542
Exemptions orders and other	76,086	68,471	7,615

The Commission's registrations, licences and filings fees are charged for a participant's use of New Brunswick's financial markets.

- The securities industry filings were slightly lower than the previous year, primarily due to the timing of certain filings.
- The number of licences issued and fees collected across the other various sectors we regulate increased, with the most notable growth in the sectors of insurance, mortgage brokers and commissioners of oaths.

Many securities-related services focus on offerings and applications, such as prospectus filings. Fees from exemptive relief applications under New Brunswick's *Securities Act* requirements, and late fees incurred by market participants for missed payments or filings comprised only a small fraction of total revenue.

Assessments

Assessments	Actual 2026	Actual 2025	Change
Insurance	$3,258,110	$2,642,260	$615,850
NBCUDIC	621,100	692,400	(71,300)
Unclaimed property	175,659	123,367	52,292

A direct correlation exists between revenue and expenses within the insurance sector. As stipulated by the *Insurance Act*, all costs associated with administering the Act must be assessed and recovered from licensed insurers. Consequently, whenever expenses are budgeted or incurred for this sector, an equivalent amount of revenue is accordingly budgeted or realized. A decrease in expenses results in a reduction in revenue, maintaining a neutral net impact. This principle also applies to the administration of the *Credit Unions Act*, whereby the Commission recovers the costs necessary to manage the regulatory framework for credit unions.

In fiscal 2026, the Commission completed a claim against the unclaimed property fund, as authorized by the *Unclaimed Property Act*, to offset administrative costs associated with operating the program. After three years of managing and analyzing the Unclaimed Property Program, it has been determined sufficient funds are available to address the shortfall between the program's generated revenue and its direct costs. The claim against the fund was $176,000, leaving $15.1 million cash – an amount deemed adequate to cover potential future claims.

Other revenue

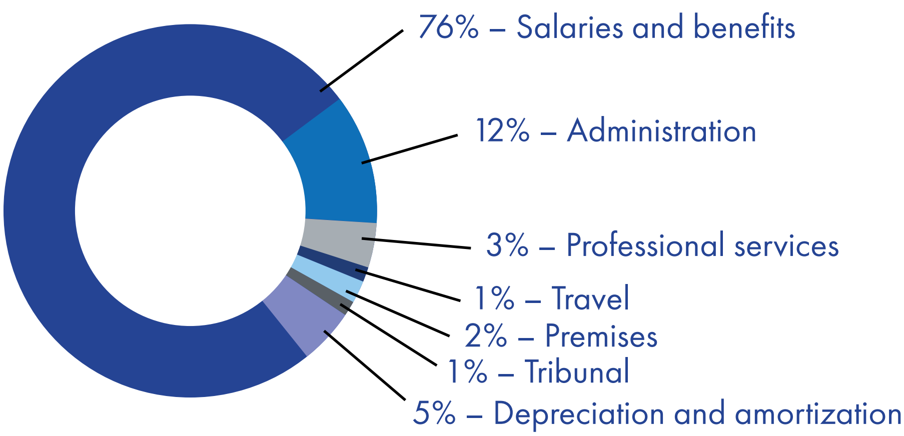
Other Revenue	Actual 2026	Actual 2025	Change
Unclaimed property income	$491,717	$571,392	$(79,675)
Investment income	405,385	611,316	(205,931)
Administrative penalties and settlements	27,250	34,417	(7,167)
Miscellaneous income	42,352	3,974	38,378

Property vested pursuant to the *Unclaimed Property Act* totalled $111,000 following the third reporting period.

As interest rates decreased during the year and cash balances fluctuated, investment income declined compared to the prior year.

Expense Analysis

Expense analysis – Fiscal 2026

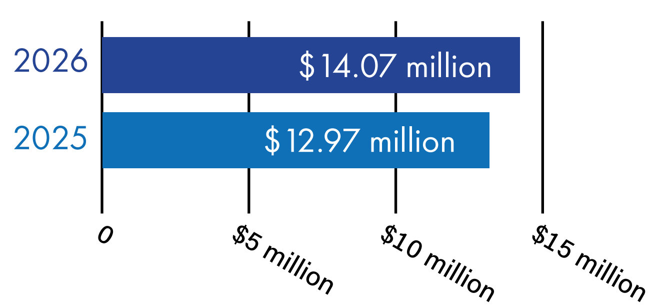


Expense comparison to prior year

Expenses	Actual 2026	Actual 2025	% of 2026 Expenses	Change
Salaries and benefits	$14,071,254	$12,972,556	75.70%	$1,098,698
Administration	2,326,951	2,001,815	12.52%	325,136
Professional services	476,214	484,995	2.56%	(8,781)
Travel	233,247	226,276	1.25%	6,971
Premises	291,557	510,704	1.57%	(219,147)
Tribunal	171,137	203,007	0.92%	(31,870)
Depreciation and amortization	1,017,783	665,109	5.48%	352,674
Total expenses	**$18,588,143**	**$17,064,462**	**100.00%**	**$1,523,681**

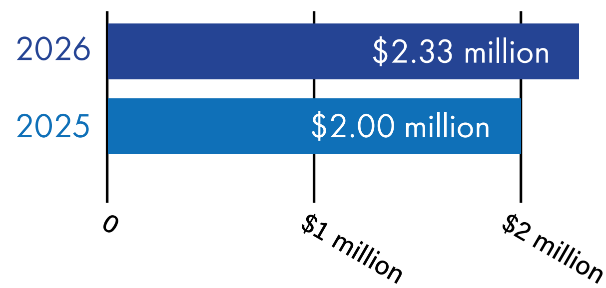
Salaries and benefits

Compensation expenses rose by 8% to $14.07 million compared to the previous year, accounting for 76% of operating costs (76% in 2025). At the end of the year, 113 staff members were employed. This increase from the prior year was due to our annual compensation adjustment, the filling of vacant positions and the creation of new roles.



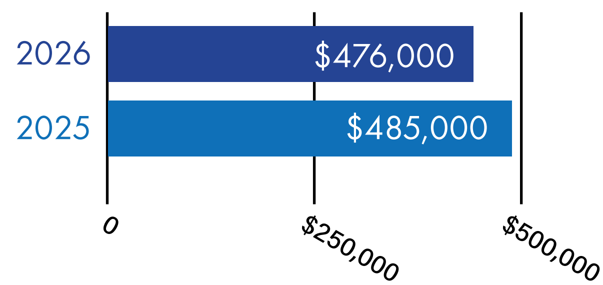
Administration

Administration expenses increased to $2.33 million in 2026 from $2.0 million in 2025, representing 13% of operating costs (12% in 2025). The two main contributors to the additional spend include our targeted education and awareness campaigns, including investor protection projects and our continued efforts related to our unclaimed property program, plus additional IT costs to support our infrastructure needs.



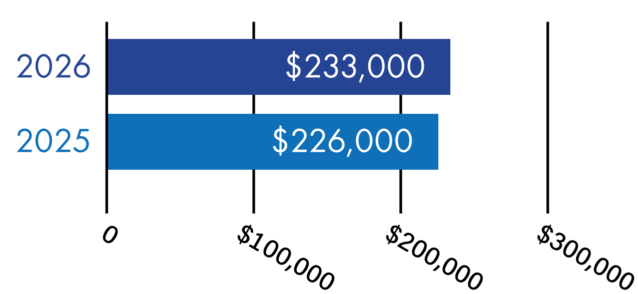
Professional services

Professional services expenses reached $476,000 in 2026, a slight decrease from the previous year at $485,000. These costs encompass general consulting, information technology consulting, financial audits, translation, legal services and consulting activities related to regulatory matters. As our work increases in complexity and our risk environment persistently grows, such as cybersecurity threats, we explore partnerships with organizations that bring specialized expertise to complement our efforts in addressing these challenges effectively. The organization undertook several significant projects requiring third-party consultation throughout the year.



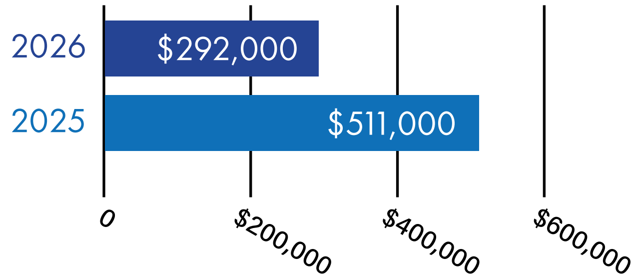
Travel

Travel costs were $233,000, reflecting a slight increase over the previous year due to staff obligations to fulfil oversight responsibilities and participate in specialized training opportunities. Our travel costs have remained relatively low as staff continue to leverage virtual participation in events and maximize the use of technology, enabling more work to be completed from our offices.



Premises

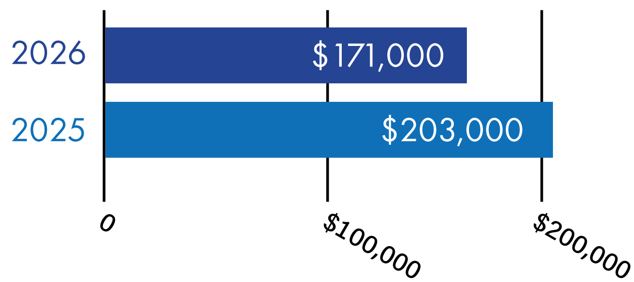
Premises expenses decreased compared to the prior year as a result of signing a new lease for the Fredericton office space. This lease was capitalized as a right-of-use-asset, and now the costs are accounted under depreciation and amortization.



Tribunal

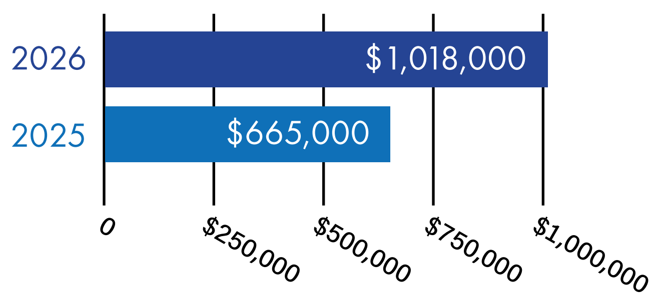
The Energy and Utilities Board (EUB or Tribunal) provides independent adjudication and oversight in the financial and consumer services sectors. This change has resulted in a continued reduction in the Tribunal's overall costs.

All costs associated with the Tribunal are accumulated and charged directly by the EUB.



Depreciation and amortization

Depreciation and amortization expenses were $353,000 higher than the previous year due to ongoing development of our internally built information technology infrastructure, plus the full year impact on extending our lease in Saint John and the signing of a new lease in Fredericton.



Financial Assets and Liquidity

Market enhancement and consumer protection reserve

Funds in the market enhancement reserve of $297,617 come from administrative penalties and are to be spent only on endeavours or activities that enhance the financial marketplace or consumer protection in New Brunswick. These funds are maintained in a separate bank account and generate their own bank interest. Administrative penalties in the amount of $27,250 were issued during the year ($34,417 in 2025).

Liquidity and financial position

The Commission has sufficient liquidity to fund its 2026-2027 operations and capital purchases with cash of $6.1 million ($6.5 million in 2025).

Disposition of surplus operating funds

The Commission made a series of payments totalling $9.1 million to the Province of New Brunswick.

Stabilization reserve

The Commission has a fully funded $5 million stabilization reserve to absorb revenue shortfalls or unexpected expenditures that could arise from assuming a large regulatory mandate. Revenue generated from the reserve is moved into general operations.

Accounts receivable

Assessments to the insurance industry and costs and expense recovery from the New Brunswick Credit Union Deposit Insurance Corporation largely make up the accounts receivable. These amounts are assessed after year-end and recorded as accrued revenue with a corresponding receivable. They represent 88% of the receivable balance in 2026 (84% in 2025). The remaining balance is largely made up of general fee receivables and HST receivables.

Lease obligations

The Commission remains in a lease for the Saint John office space until February 28, 2031.

During the year, the Commission entered into a four-year lease for office premises located in Fredericton, New Brunswick with the Department of Transportation and Infrastructure for the Government of New Brunswick, beginning on April 1, 2025, and expiring on March 31, 2029.

Unclaimed property

New Brunswick's *Unclaimed Property Act* requires businesses and government entities holding unclaimed property (holders) to review their books and deliver any unclaimed monetary property to the program. The program relieves holders of the expense and liability of carrying the property on their books.

After the third full year of operations, the Commission is holding $15.1 million in cash and has known receivables of $467,000. The cash is kept in a unique bank account and is available to claim.

The Commission also received reports from holders of securities. These amounts will continue to be held by the business or government entity. The Commission provides the details of those securities on its FundsFinderNB.ca website. As of March 31, 2026, entities reported holding $26.4 million of securities.

This year, the Commission made its second claim against the fund to help cover certain program administration costs.

Risks and uncertainties

Risk assessment and mitigation

The Commission is committed to effective risk management, addressing risk that may affect our strategic objectives or hinder our operations. Our comprehensive Enterprise Risk Management (ERM) program includes an enterprise risk register for each of the 10 strategic risks, overseen by the Commission Members.

Our ERM program guides us in identifying, assessing and managing risks within these areas. Each risk is carefully evaluated for its potential impact on our strategic objectives, with response strategies tailored accordingly. This process is integral to our annual strategic planning and budgeting, informing our organizational strategy and business plan.

Cybersecurity risks continue to evolve as the Commission relies on digital platforms and national filing systems, and mitigation strategies include enhanced controls, monitoring and reliance on third party assurance reports.

Fee revenue

We fund operations primarily from filing fees paid by market participants and regulated entities. Fee revenue is generally not sensitive to market conditions, which held true over the past few years as we saw an overall increase in our annual fees collected.

National electronic filing system for the securities sector

Under various agreements with the Canadian Securities Administrators (CSA), CGI Information Systems and Management Consultants Inc. (CGI) operates the following electronic systems:

- System for Electronic Data Analysis and Retrieval + (SEDAR+): a secure web-based system for securities market participants to file regulatory documents and pay fees.
- National Registration Database (NRD): an electronic system for registrants to register and pay fees.
- System for Electronic Disclosure by Insiders (SEDI): an Internet-based system for insiders to report their trades.

About 68.30% of our total revenue is collected through SEDAR+ and NRD. CGI maintains a comprehensive business continuity plan for each system, and the CSA requires a third-party audit report (CSAE 3416 Reporting on Controls at Service Organization) each year.

Critical accounting estimates

Management must make estimates and assumptions when preparing our financial statements. Management makes those assumptions based on experience and current conditions and believes that they are reasonable. However, actual results may differ from management's estimates. In our financial statements, management has estimated the portion of accounts receivable we will receive, the useful lives of our capital assets and the value of employee leave liabilities.

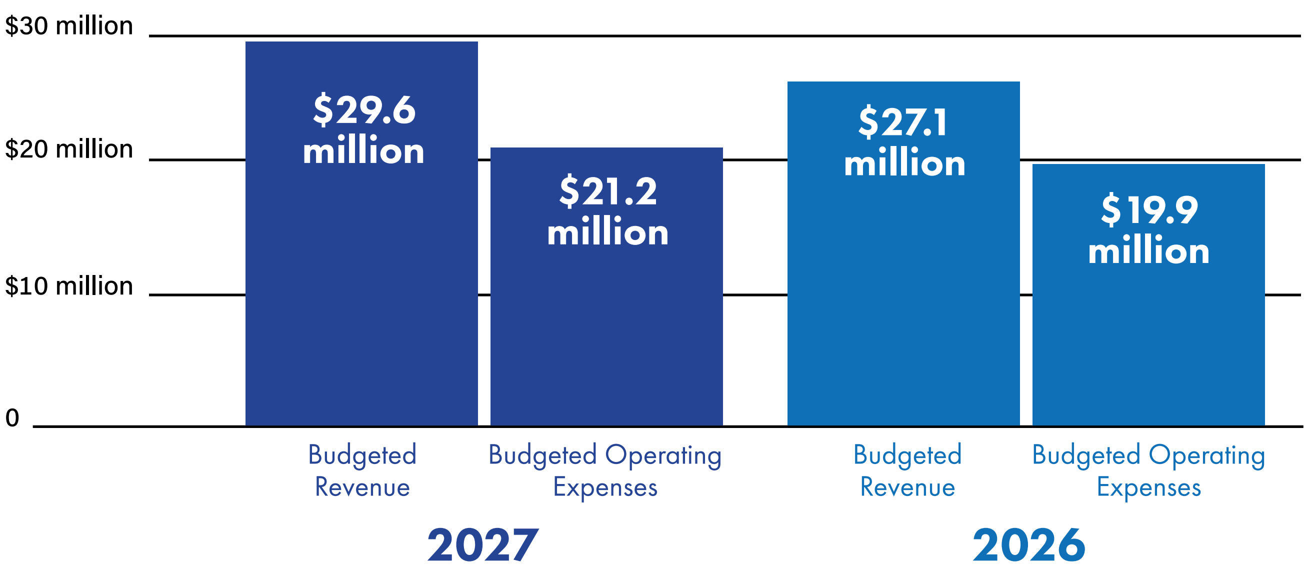
We accrue expenses incurred and amounts due when they meet generally accepted revenue recognition criteria. We have not recognized any provisions for legal challenges in the financial statements.

Changes in accounting policies

Management is responsible for selecting the significant accounting policies and preparing the financial statements, including the accompanying notes, according to generally accepted accounting principles (GAAP). For fiscal 2026, there were no new standards that impacted the Commission's results.

2027 outlook

Revenue and expenses



Budgeted revenue is $29.6 million for 2027, an increase over our 2026 budget. The budgeted increase year-over-year represents growth within securities filings, combined with anticipated increases in our registration and licensing fees, and the continued impact of the Unclaimed Property Program.

Operating expenses are budgeted to be $21.2 million for 2027. This is a $1.3 million increase from our 2026 budget. The additional budget expenses relate mostly to our annual increase in staff compensation combined with the Commission's additional staffing needs, and an increase in our professional fees. As our organization continues to meet the needs of New Brunswickers, we will continue to strategically invest in our people and our organization.

Liquidity

Our budgeted surplus for 2027 is approximately $8.4 million. Given the funded stabilization reserve, we intend to transfer ongoing surpluses to the Province of New Brunswick.

MD&A Supplement – Compensation disclosure

Senior management includes the Chief Executive Officer (CEO), two Vice Presidents, a Chief Information Officer (CIO) and 13 Leaders. The CEO's compensation and benefit structure is set by the Commission, in accordance with the recommendations of an external consultant. Compensation adjustments are approved annually by the Commission, based on the CEO's performance evaluation. The other members of Senior Management, along with all other employees, are compensated based on a step progression salary structure, which is reviewed periodically by an independent consultant to ensure market competitiveness. Senior management also receive the same employment benefits received by all staff, which includes health, dental, life insurance, pension, leave and parking. The CEO receives a vehicle allowance and is eligible for a supplemental pension.

Senior management remuneration

Position	Salary range as at March 2026
Chief Executive Officer	$222,000 – $333,000
Executive Management: Vice Presidents and CIO (3)	$156,918 – $215,762
Leaders (13)	$119,472 – $178,985

FINANCIAL STATEMENTS

FINANCIAL AND CONSUMER SERVICES COMMISSION OF NEW BRUNSWICK

Management's responsibility and certification

Management is responsible for the integrity, consistency and reliability of the financial statements and other information presented in the annual report. The financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

We certify that we have reviewed the financial statements and other information contained in the annual report. Based on our knowledge:

a) The financial statements do not contain any untrue statement of a 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 was made, with respect to the period covered by the financial statements and annual report; and

b) The financial statements and financial information contained in the annual report fairly present in all material respects the financial condition, results of operations and cash flows of the Financial and Consumer Services Commission of New Brunswick as at the dates and for the periods presented.

The preparation of financial statements involves transactions affecting the current period, which cannot be finalized with certainty until future periods. Estimates and assumptions upon which the financial statements have been prepared are based on historical experience and current conditions, and are believed to be reasonable.

The Commission maintains an accounting system and related controls designed to provide the Commission with reasonable assurance that reliable financial information is available on a timely basis. The Commission Members ensure that management fulfils its responsibility for financial information and internal control.

The financial statements and annual report have been reviewed by the Audit Committee and approved by the Commission.

The report of the independent auditor, Deloitte LLP, outlines the scope of the Auditor's examination and opinion on the financial statements.

Original signed by
Kevin Hoyt

Kevin Hoyt, FCPA, ICD.D
Chief Executive Officer

Original signed by
Véronique Long

Véronique Long, LL.B., GPC.D
Vice President, Corporate Services

June 24, 2026

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Independent Auditor's Report

To the Members of
Financial and Consumer Services Commission

Opinion

We have audited the financial statements of Financial and Consumer Services Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2026 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
July 3, 2026

Statement of Financial Position
as at March 31, 2026 (in Canadian $)

	2026	2025
Assets		
Current Assets		
Cash (Note 7)	$ 6,109,742	$ 6,518,235
Cash unclaimed property (Notes 7, 14)	15,083,100	11,176,335
Accounts receivable (Note 9)	3,942,978	3,400,553
Accounts receivable unclaimed property (Notes 9, 14)	467,318	494,841
Prepaid expenses	442,086	275,814
	26,045,224	21,865,778
Cash held for designated purposes (Notes 7, 10)	297,805	262,071
Investments held for designated purposes (Notes 8, 10)	5,000,000	5,000,000
Property and equipment (Note 11)	4,105,711	2,554,154
Intangible assets (Note 12)	513,035	628,314
	$ 35,961,775	$ 30,310,317
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 20)	$ 902,729	$ 767,295
Unclaimed property (Note 14)	15,550,418	11,671,175
Accrued salaries and benefits	375,298	298,233
Current portion of employee future benefits (Note 19)	68,122	42,481
Accrued vacation liabilities	188,553	163,902
Current portion of lease obligations (Note 13)	639,335	310,476
Deferred revenue	6,935,249	6,313,504
	24,659,704	19,567,066
Lease obligations (Note 13)	2,266,428	2,137,498
Employee future benefits (Note 19)	1,013,122	908,229
	3,279,550	3,045,727
Total liabilities	27,939,254	22,612,793
Equity		
General	2,724,714	2,435,451
Stabilization reserve (Note 10)	5,000,000	5,000,000
Market enhancement and consumer protection reserve (Note 10)	297,617	261,883
Disgorgement reserve (Note 10)	190	190
	8,022,521	7,697,524
	$ 35,961,775	$ 30,310,317

Commitments and contingencies (Note 17)
The accompanying notes are an integral part of these financial statements.

APPROVED BY THE COMMISSION

Original signed by
Paul Van Iderstine

Chair

Original signed by
Douglas Gaudett

Member

Statement of Comprehensive Income (by nature) for the year ended March 31, 2026 (in Canadian $)

	2026	2025
Revenue		
Fees		
Prospectus and distribution filings	$ 10,668,650	$ 11,138,700
Registrations	6,396,303	5,993,719
Financial filings	2,092,900	2,204,150
Licences and fees	3,799,225	3,490,683
Exemptions and orders	33,825	34,425
Other	42,261	34,046
Assessments	4,054,869	3,458,027
Unclaimed property	491,717	571,392
Administrative penalties, settlements and cost recoveries	27,250	34,417
Investment income	405,385	611,316
Miscellaneous	42,352	3,974
	28,054,737	27,574,849
Expenses		
Salaries and benefits (Note 21)	14,071,254	12,972,556
Administration (Note 22)	2,326,951	2,001,815
Professional services	476,214	484,995
Tribunal	171,137	203,007
Travel	233,247	226,276
Premises	291,557	510,704
Depreciation and amortization	1,017,783	665,109
	18,588,143	17,064,462
Comprehensive Income	$ 9,466,594	$ 10,510,387

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Equity
for the year ended March 31, 2026 (in Canadian $)

	General	Stabilization reserve	Market enhancement and consumer protection reserve	Disgorgement reserve	Total
Balance, March 31, 2024	$ 2,437,793	$ 5,000,000	$ 214,351	$ 190	$ 7,652,334
Comprehensive income	10,510,387	-	-	-	10,510,387
Disposition of surplus operating funds (Note 15)	(10,465,197)	-	-	-	(10,465,197)
Investment income reallocation	(10,615)	-	10,615	-	-
Allocation from general (Note 10)	(36,917)	-	36,917	-	-
Balance, March 31, 2025	$ 2,435,451	$ 5,000,000	$ 261,883	$ 190	$ 7,697,524
Comprehensive income	9,466,594	-	-	-	9,466,594
Disposition of surplus operating funds (Note 15)	(9,141,597)	-	-	-	(9,141,597)
Investment income reallocation	(8,484)	-	8,484	-	-
Allocation from general (Note 10)	(27,250)	-	27,250	-	-
Balance, March 31, 2026	$ 2,724,714	$ 5,000,000	$ 297,617	$ 190	$ 8,022,521

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
for the year ended March 31, 2026 (in Canadian $)

	2026	2025
Cash flows from operating activities		
Comprehensive income	$ 9,466,594	$ 10,510,387
Adjustment for depreciation and amortization	1,017,783	665,109
Loss on disposal of intangible assets	124,590	2,652
	10,608,967	11,178,148
Changes in non-cash working capital		
Accounts receivable	(514,902)	(413,803)
Prepaid expenses	(166,272)	(14,796)
Accounts payable and accrued liabilities	135,436	126,620
Unclaimed Property	3,879,243	2,646,788
Accrued salaries and benefits	77,065	62,935
Employee future benefits	130,534	144,837
Accrued vacation liabilities	24,651	1,192
Deferred revenue	621,745	76,953
	14,796,467	13,808,874
Cash flows from financing activities		
Disposition of surplus operating funds	(9,141,597)	(10,465,197)
Repayment of lease liability	(545,156)	(283,075)
	(9,686,753)	(10,748,272)
Cash flows from investing activity		
Acquisition of property and equipment and intangible assets	(1,575,708)	(270,815)
Net increase in cash	3,534,006	2,789,787
Cash, beginning of year	17,956,641	15,166,854
Cash, end of year	21,490,647	17,956,641
Represented by:		
Cash	$ 6,109,742	$ 6,518,235
Cash unclaimed property	15,083,100	11,176,335
Cash held for designated purposes	297,805	262,071
	$ 21,490,647	$ 17,956,641
	2026	2025
Note: Cash flow from interest received is included in comprehensive income.	$ 966,658	$ 1,112,199

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

The Commission is a body corporate without share capital established under the name Financial and Consumer Services Commission of New Brunswick (Commission) as of July 1, 2013 under the provisions of the *Financial and Consumer Services Commission Act (New Brunswick)* (Act).

The Act enables the Commission to be New Brunswick's integrated financial and consumer services regulator. With offices in both Fredericton and Saint John, the Commission is responsible for the administration and enforcement of provincial legislation regulating mortgage brokers, payday lenders, real estate, securities, insurance, pensions, credit unions, trust and loan companies, cooperatives, unclaimed property and a wide range of consumer legislation.

The Commission develops and conducts educational programs on financial and consumer services.

Financial and consumer services legislation means the:

- *Financial and Consumer Services Commission Act*
- *Auctioneers Licence Act*
- *Collection and Debt Settlement Services Act*
- *Commissioners for Taking Affidavits Act*
- *Consumer Product Warranty and Liability Act*
- *Consumer Protection Act* [29]
- *Cooperatives Act*
- *Cost of Credit Disclosure and Payday Loans Act*
- *Credit Reporting Services Act*
- *Credit Unions Act*
- *Direct Sellers Act*
- *Financial Advisors and Financial Planners Title Protection Act*
- *Franchises Act*
- *Gift Cards Act*
- *Insurance Act*
- *Loan and Trust Companies Act*
- *Mortgage Brokers Act*
- *Nursing Homes Pension Plans Act*
- *Pension Benefits Act*
- *Pooled Registered Pension Plans Act*
- *Pre-arranged Funeral Services Act*
- *Real Estate Agents Act*
- *Securities Act*
- *Securities Transfer Act*
- *Unclaimed Property Act*

In support of the regulatory endeavours associated with the financial and consumer services legislation, the Act sets out the role of the Commission, and the role of the independent Tribunal, which is administered by the Energy and Utilities Board pursuant to section 3 of the *Energy and Utilities Board Act*.

29. The *Consumer Protection Act* received Royal Assent on June 7, 2024 and will come into force on a future date.

Certain comparative figures have been reclassified to conform with the financial presentation adopted for the current year.

The financial statements for the year ended March 31, 2026 (including comparatives) were approved by the Commission's Board on June 24, 2026.

The Commission maintains its registered office at 85 Charlotte Street, Suite 300, Saint John, New Brunswick, E2L 2J2.

As a Crown corporation, the Commission is exempt from income taxes.

2. Basis of preparation and statement of compliance with IFRS Accounting Standards

Management has prepared these financial statements according to IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements are presented in Canadian dollars, which is also the functional currency of the Commission.

The financial statements have been prepared under the historical cost basis, as modified by financial assets and financial liabilities reported at fair value through the statement of comprehensive income.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 3. These policies have been consistently applied to all the years presented.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in Note 4.

3. Summary of material accounting policy information

a) Revenue recognition

The Commission recognizes revenue to depict the transfer of promised services to market participants in an amount that reflects the consideration to which the Commission expects to be entitled in exchange for those services by applying the following steps:

- Identify the legislation and regulation, i.e. contract with the market participant;
- Identify the performance obligations in the legislation and regulation, i.e. contract;
- Determine the transaction price;
- Allocate the transaction price; and
- Recognize revenue when, or as, the Commission satisfies a performance obligation.

Assessments are recognized in the period in which the costs to administer the specific financial and consumer services legislation are incurred.

Licensing, application fees and registration fees are deferred and recognized as revenue over the year to which they relate.

Activity fees are triggered by certain activities requested of staff by market participants (prospectus and private placement filings), by pension plans (registration of pension plans) and by loan and trust companies (review and issue of letters patent). The activities undertaken are normally completed in a relatively short period of time and are recognized as revenue when the associated services have been rendered.

Cost recovery of investigations and administrative penalty revenue are recognized at the decision date unless management determines no reasonable assurance as to ultimate collection exists, in which case they are recognized when cash is received.

Investment income is recorded as earned.

b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment allowances. Cost includes expenditures that are directly attributable to the asset's acquisition. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is calculated to write off the cost, less estimated residual value, on a straight-line basis over the expected useful economic lives. The rates used are:

Office furniture and equipment: 4 years
Information technology infrastructure: 4 years
Leasehold improvements: over term of lease
Office equipment lease: over term of lease
Right-of-use asset: over term of lease

The Commission allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each part. Residual values, the method of depreciation and the useful lives of the assets are reviewed annually and adjusted, if appropriate.

Gains and losses on disposals of property and equipment and intangible assets are determined by comparing the proceeds with the carrying amount of the asset and are included as part of miscellaneous in the statement of comprehensive income.

c) Intangible assets

The Commission's internally generated intangible assets arising from development (or from the development phase of an internal project) are recognized if all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use;
- The intention to complete the intangible asset and use it;
- The ability to use the intangible asset;
- How the intangible asset will generate probable future benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in the statement of comprehensive income in the period in which it is incurred.

Amortization is calculated to write off the cost, less estimated residual value, on a straight-line basis over the expected useful economic lives. The rates used are:

Website: 5 years
Regulatory information data system (internally generated): 5 years

d) Impairment of property and equipment and intangible assets

At each financial year end, the Commission reviews the carrying value of its property and equipment and intangible assets to determine whether those assets have suffered any impairment loss. If so, the asset's recoverable amount is estimated to determine the extent of the impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognized as an expense immediately.

In the rare instance when an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

e) Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events. It is more likely than not that a resource outflow will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

On occasion, legal proceedings are threatened or initiated against the Commission. The Commission provides for the estimated full cost of any such challenges where, at the end of the year, it is more likely than not that there is an obligation to be settled. The amount provided is discounted to present value.

f) Cash

Cash includes cash on hand, cash equivalents and deposits held with banks.

g) Financial instruments

Financial assets and liabilities are recognized when the Commission becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Commission has transferred substantially all risks and rewards of ownership.

The Commission recognizes financial instruments based on their classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net income or comprehensive income.

Financial assets

Financial assets are measured at amortized cost if both of the following criteria are met: the object of the Commission's business model for these financial assets is to collect their contractual cash flows; and the asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. They are initially measured at the amount expected to be received less, when material, a discount to reflect the time value of money. Subsequent to initial measurement, they are carried at amortized cost using the effective interest method less appropriate provisions for impairment.

The Commission applies the simplified method of the expected credit loss (ECL) model required under IFRS 9. Under this method, the Commission estimates a lifetime expected loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if both of the following criteria are met: the objective of the Commission's business model is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and the contractual terms of the financial asset gave rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are initially recognized at fair value and transaction costs are expensed. Subsequent to initial measurement, they are carried at fair value and all gains and losses realized and unrealized are recognized in the statement of comprehensive income.

The Commission assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

Financial assets are derecognized when their rights to receive cash flows have expired or have been transferred and the Commission has transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities measured at amortized cost are initially recognized at fair value less directly attributable transaction costs and after initial measurement are recognized at amortized cost. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of comprehensive income over the contractual term using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

The fair value of a financial instrument is the amount of which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous market for that instrument to which the Commission has immediate access. If market prices are not available, fair value is based on prevailing market rates for instruments with similar characteristics and risk profiles or internal or external valuation models that require inputs.

The Commission's financial instruments comprise cash, cash held for designated purposes and investments held for designated purposes, accounts receivable, accounts payable and accrued liabilities, unclaimed property cash, accrued salaries and benefits, accrued vacation liabilities, unclaimed property and lease obligations.

Fair value hierarchy

Financial assets and liabilities that are recognized on the statement of financial position at fair value are to be classified into a hierarchy of three levels based on the significance of the impacts used in making the measurement:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices)

Level 3 – inputs for the asset of liability that are not based on observable market data (unobservable inputs)

h) Unclaimed property

The Commission has the legislative right to make claims against the restricted unclaimed property fund to recover the costs of administering the Unclaimed Property Program. The claims are recognized in the financial statements when the recognition criteria have been met and the claim has been made.

i) Future accounting and reporting changes

The IASB is continually working toward improving and developing new accounting standards. The IASB has issued a number of exposure drafts of new standards that are expected to come into effect within future reporting periods. The Commission monitors the IASB work plans and publications to assess any potential impact on the organization. There are no standards issued but not yet adopted that are expected to have a material impact on the Commission.

4. Material accounting estimates and judgments

The Commission makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are management's estimates and judgments that most significantly affect the Commission's financial statements. These estimates and judgments have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Material accounting estimates

Property and equipment and intangible assets

Management estimates the useful lives of property and equipment and intangible assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment and amortization of intangible assets for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause material changes in the estimated useful lives of the Commission's property and equipment and intangible assets in the future.

Sick leave credits benefit

Upon retirement, Commission employees are eligible to receive 20% of the accumulated sick leave balance to a maximum of 48 days as a payout. The material accounting estimates used to determine the liability are outlined in Note 19 (c).

Supplemental pension benefit

Supplemental pension benefits were calculated by a qualified actuary.

Assessments

Management estimates the amount of direct administrative overhead and indirect support cost required to administer the *Insurance Act* and the *Credit Unions Act*, and includes these amounts in an assessment to these specific sectors. Management also estimates direct and indirect costs to administer the *Unclaimed Property Act*, and can include these amounts for claims against the restricted unclaimed property fund.

b) Material accounting judgments

Management exercises its judgment in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions are material to the financial report have been disclosed above. The determination of the collectability of administrative penalty and disgorgement revenue represents a material policy judgment area.

5. Capital management

The Commission's objective when it manages capital is to ensure it continues as a going concern to fulfil its mandate. The Commission has established a stabilization reserve of $5 million (2025, $5 million). The Commission ensures that any payment of surplus funds to the Province of New Brunswick will not impair the Commission's ability to pay its liabilities, to meet its obligations as they become due or to fulfil its contractual commitments.

6. Financial instruments

The Commission's financial instruments comprise cash, cash held for designated purposes and investments held for designated purposes, accounts receivable, accounts payable and accrued liabilities, unclaimed property cash, accrued salaries and benefits, accrued vacation liabilities, unclaimed property and lease obligations. These financial instruments do not include any rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The fair values of these financial instruments approximate their carrying values due to their short-term nature and negligible credit losses.

7. Cash and cash held for designated purposes

The Commission maintains five separate bank accounts. The first two are comprised of the operating account and those monies attributable to the reserves and not otherwise invested and monies received from disgorgement orders. The third account is maintained for the market enhancement reserve. The fourth account is maintained for monies held in trust, as securities for licences issued under various financial and consumer services legislation. The fifth is a bank account that holds unclaimed property. Under the terms of the Commission's banking agreement, these accounts earn interest at prime less 1.70%.

8. Investments held for designated purposes

The Commission invested $5 million to the stabilization reserve (2025, $5 million). The interest earned on these investments varied from 2.75% to 3.25% The amounts attributable to the reserve have been disclosed on the statement of financial position as investments held for designated purposes.

9. Accounts receivable

The Commission charges assessments as per specific financial and consumer services legislation to the credit union system and to insurance sector participants. The assessments owing total $3,476,813, as of March 31, 2026 (2025, $2,861,195).

The Commission has recognized an allowance for doubtful accounts of $nil (2025, $nil). Operational and other receivables total $466,165 as of March 31, 2026 (2025, $539,358).

10. Reserve

Stabilization reserve

The Commission has established a reserve consistent with subsection 21(8) of the *Financial and Consumer Services Commission Act* to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity affecting revenue. The reserve is funded through charges to the general fund and currently holds $5 million (2025, $5 million).

Market enhancement and consumer protection reserve

The Commission collects administrative penalties under section 186 of the *Securities Act* and under subsection 21(5) of the *Financial and Consumer Services Commission Act*. Consistent with subsection 21(5) of the *Financial and Consumer Services Commission Act*, these amounts are not used for the Commission's normal operating expenditures. Instead, they are used for endeavours or activities that enhance New Brunswick's capital markets or consumer protection. Market enhancement reserve funds are maintained separate from the Commission's normal operating funds and generate their own investment revenue. The value of the reserve is $297,617 (2025, $261,883).

Disgorgement reserve

Disgorgement orders, issued by the Tribunal or Court of King's Bench, permit the Commission to order a person be divested from the benefits obtained as a result of failure to comply with securities law. These amounts are not used for the Commission's normal operating expenditures as described in subsection 21(6) of the *Financial and Consumer Services Commission Act* and will generally be used to return funds to negatively impacted investors consistent with Local Rule CO-002, *Procedure for the Distribution of Disgorged Funds*. During the period, no funds were collected.

11. Property and equipment

		Office furniture and equipment	Office equipment lease	Information technology infra-structure	Leasehold improve-ments	Right-of-use asset	Total
Cost	**As at March 31, 2024**	$ 535,620	$ 37,486	$ 402,777	$ 989,709	$ 2,280,536	$ 4,246,128
	Additions	9,361	-	70,007	-	2,023,731	2,103,099
	Dispositions	-	-	-	-	-	-
	As at March 31, 2025	$ 544,981	$ 37,486	$ 472,784	$ 989,709	$ 4,304,267	$ 6,349,227
	Additions	187,882	-	128,434	1,081,430	1,002,945	2,400,691
	Dispositions	-	-	79,750	12,756	693,056	785,562
	As at March 31, 2026	$ 732,863	$ 37,486	$ 521,468	$ 2,058,383	$ 4,614,156	$ 7,964,356
Accumulated Depreciation	**As at March 31, 2024**	$ 497,503	$ 5,112	$ 192,004	$ 922,718	$ 1,672,004	$ 3,289,341
	Depreciation	27,229	6,815	91,975	44,530	335,183	505,732
	Dispositions	-	-	-	-	-	-
	As at March 31, 2025	$ 524,732	$ 11,927	$ 283,979	$ 967,248	$ 2,007,187	$ 3,795,073
	Depreciation	25,526	6,816	97,669	80,148	638,975	849,134
	Dispositions	-	-	79,750	12,756	693,056	785,562
	As at March 31, 2026	$ 550,258	$ 18,743	$ 301,898	$ 1,034,640	$ 1,953,106	$ 3,858,645
Carrying Value	**As at March 31, 2025**	$ 20,249	$ 25,559	$ 188,805	$ 22,461	$ 2,297,080	$ 2,554,154
	As at March 31, 2026	**$ 182,605**	**$ 18,743**	**$ 219,570**	**$ 1,023,743**	**$ 2,661,050**	**$ 4,105,711**

12. Intangible assets

		Website	Regulatory information data system (internally developed)	Total
Cost	**As at March 31, 2024**	$ 71,289	$ 1,760,403	$ 1,831,692
	Additions	10,350	181,098	191,448
	Dispositions	53,041	-	53,041
	As at March 31, 2025	$ 28,598	$ 1,941,501	$ 1,970,099
	Additions	46,350	131,611	177,961
	Dispositions	5,738	124,591	130,329
	As at March 31, 2026	$ 69,210	$ 1,948,521	$ 2,017,731
Accumulated Amortization	**As at March 31, 2024**	$ 49,423	$ 1,183,374	$ 1,232,797
	Amortization	10,976	148,401	159,377
	Dispositions	50,389	-	50,389
	As at March 31, 2025	$ 10,010	$ 1,331,775	$ 1,341,785
	Amortization	4,572	164,077	168,649
	Dispositions	5,738	-	5,738
	As at March 31, 2026	$ 8,844	$ 1,495,852	$ 1,504,696
Net Book Value	**As at March 31, 2025**	$ 18,588	$ 609,726	$ 628,314
	As at March 31, 2026	**$ 60,366**	**$ 452,669**	**$ 513,035**

13. Lease obligations

The Commission entered into a 10-year lease for office space in Saint John effective March 1, 2021. In the prior year, the Commission updated the term of the lease to extend through February 28, 2031.

During the year, the Commission entered into a four-year lease for office premises located in Fredericton, New Brunswick, with the Department of Transportation and Infrastructure for the Government of New Brunswick, beginning on April 1, 2025, and expiring on March 31, 2029.

The Commission's leases entered into in 2024, for office equipment, have terms of five and a half years. The Commission has an option to purchase the equipment for a nominal amount at the end of the lease term. The lease liability is effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	Minimum lease payments		Present value of minimum lease payments	
	2026	2025	2026	2025
Not later than 1 year	$ 770,575	$ 425,519	$ 639,335	$ 310,476
Later than 1 year and not later than 5 years	2,468,927	1,963,660	2,266,428	1,701,521
Later than 5 years	-	445,570	-	435,977
	$ 3,239,502	$ 2,768,074	$ 2,905,763	$ 2,447,974
Less: Current portion			639,335	310,476
Lease obligations			**$ 2,266,428**	**$ 2,137,498**

14. Unclaimed property

Holders of unclaimed property are to report and deliver this property to the Commission. The delivered funds are recorded and put into an account by the Commission and managed in accordance with provisions of the *Unclaimed Property Act*. Funds that are available for claim are listed on a free public online searchable database.

	2026	2025
Balance beginning of year	$ 11,671,175	$ 9,024,386
Receipts from holders	4,012,016	2,725,089
Receivables from holders	467,318	494,841
Less: Payouts to claimants	313,741	341,546
Less: Vested properties	110,691	108,228
Less: Claims against the fund	175,659	123,367
Balance end of year	**$ 15,550,418**	**$ 11,671,175**

The *Unclaimed Property Act* and *Rules* require holders of securities valued at $1,000 or more to hold these securities until the Director of Unclaimed Property provides permission to deliver. Currently, holders have provided the Commission with details related to securities holdings of $26,404,385 (2025, $24,552,856). These holders have reported the existence and details of the securities, which are posted on FundsFinderNB.ca and are available to claim.

The Commission is permitted to claim against the unclaimed property fund for expenditures incurred by the Commission for or in connection with the administration of this Act. The Commission has made a claim against the fund for $175,659 in 2026 (2025, $123,367).

15. Disposition of surplus operating funds

The disposition of surplus operating funds consists of payments to the Consolidated Fund of the Government of New Brunswick subject to the approval of the Treasury Board and consistent with subsection 21(7) of the *Financial and Consumer Services Commission Act*. The Commission paid $9,141,597 in 2026 (2025, $10,465,197).

16. Provisions

A provision is recognized if, as a result of a past event, the Commission has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The Commission has no provisions recorded at March 31, 2026 (2025, $nil).

17. Commitments and contingencies

As of March 31, 2026, the Commission has no pending legal matters.

18. Financial risk management

Financial risk factors

The Commission's objectives are to protect itself against various financial risks. These include credit, liquidity and interest rate risks.

Credit risk

The Commission's financial assets exposed to credit risk consist of cash, cash held for designated purposes, unclaimed property cash, investments held for designated purposes and accounts receivable. This risk is minimal since the majority of the Commission's revenue is received when due. Accounts receivable are current and collectable. Its five bank accounts are held with a Schedule 1 Canadian financial institution.

Liquidity risk

All financial liabilities, except for the lease obligations and employee future benefits, are due within one year and have been classified as current and presented as such on the statement of financial position. The Commission generates enough cash from operating activities to fund its operations and fulfil its obligations as they become due. The Commission has a stabilization reserve in place in the event that cash requirements exceed cash generated from operations.

Interest rate risk

This risk is minimal since the Commission did not incur any interest-bearing, long-term debt except on the lease obligations during the year. Cash deposits earn interest at a floating rate, and this revenue is impacted by the current short-term interest rates, while cash held for designated purposes and investments held for designated purposes earn interest at a fixed rate, and this revenue is impacted by the interest rate paid on one-year guaranteed investment certificates. A 25-basis-point change in the interest rate would have an immaterial impact on the financial statements.

19. Employee future benefits

a) Pension plan

The Commission provides pension benefits to its employees through participation in the New Brunswick Public Service Pension Plan (the "Plan"), which is a shared risk pension plan. Annually, the Commission receives notification of the required contributions from the Board of Trustees of the Plan, which administers the Plan.

Pension costs included in these financial statements comprise the cost of employer contributions for current service of employees during the year. For the year ended March 31, 2026, the Commission expensed contributions of $1,273,010 (2025, $1,172,958) under the terms of the Plan.

b) Unfunded benefit plan

Unfunded post-employment benefits for supplemental pension benefits are summarized below:

	2026	2025
Supplemental pension benefit obligation	$ 509,600	$ 429,300
Discount rate, end of year	4.7%	4.5%
Long-term rate of compensation increases	2.6%	2.6%
Assumptions for benefit increases (percentage of Consumer Price Index)	2.1%	2.1%

c) Sick leave credits

Employees are eligible to receive a payout of 20% of their unused sick leave credits at layoff, retirement or death. These statements reflect a liability of $569,107 (2025, $518,873) for this benefit and a current year expense of $69,197 (2025, $95,432). This liability is discounted as follows: employees over the age of 50, the Commission applies a 3.00% discount factor to adjust for the age of each eligible employee for each year that the employee is under the age of 55; and for employees under the age of 50, the Commission applies a 3.00% discount factor to adjust for the age of each eligible employee for each year that the employee is under the age of 65. For liability calculation purposes, management estimates that half of employees under the age of 40 will retire from the Commission, 75% of employees between the ages of 40 and 50 will retire from the Commission, and all employees over the age of 50 will retire from the Commission.

20. Related party transactions

Service New Brunswick (SNB), a related party to the Commission, provides certain services in the normal course of operations that are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. SNB provided information technology services to the Commission, such as data storage, data backup, data protection and support. The Commission expensed $22,800 (2025, $29,168) during the reporting period on these services. As of March 31, 2026, an accounts payable of $22,800 (2025, $22,749) was owed to SNB and was subject to normal terms. This amount is included in accounts payable and accrued liabilities.

The Translation Bureau for the Government of New Brunswick provides services to the Commission that are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Total expenditures during the period were $19,452 (2025, $12,110). As of March 31, 2026, an accounts payable of $9,634 (2025, $2,166) was owed to the Translation Bureau and is subject to normal terms. This amount is included in accounts payable and accrued liabilities.

New Brunswick Credit Union Deposit Insurance Corporation (NBCUDIC) utilizes the resources of the Commission to provide human resource and administration support for administering the *Credit Unions Act*. The Commission assumes the salaries and overhead costs, which are billed to NBCUDIC. NBCUDIC expensed $621,100 in 2026 (2025, $692,400). NBCUDIC owes the Commission $85,854 at March 31, 2026 (2025 – the Commission owed NBCUDIC $38,612).

On April 1, 2025, the Commission entered into an agreement with the Department of Transportation and Infrastructure (DTI) for leased office space. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Commission expensed $393,568 (2025, $344,478). As of March 31, 2026, an accounts payable of $281,229 (2025, $261,113) was owed to DTI and subject to normal terms.

The Commission provides certain administrative services for the Government of New Brunswick associated with assessments or recoveries from the insurance sector and that are for the benefit of the Consolidated Revenue Fund of the Government of New Brunswick. These services include invoicing and updating receivables under the *Premium Tax Act*, the *Medical Services Payment Act*, the *Hospital Services Act* and the *Family Services Act*; and updating receivables under the *Fire Prevention Act*. These transactions do not flow through the Commission's financial statements and are recorded directly in the financial information system of the Government of New Brunswick. The Commission performs these functions without any financial consideration or payment from the Government of New Brunswick.

The New Brunswick Energy and Utilities Board (EUB) provides independent adjudication and oversight in the financial and consumer services sectors. The Commission expensed $171,137 in fiscal 2026 relating to the adjudication provided by the EUB and our payable at year end was nil.

In addition, the Commission recovers costs incurred by the Government of New Brunswick when it intervenes at insurance rate hearings. In 2026, these costs were $132,835 (2025, $214,881).

Key management personnel

Key management of the Commission includes Commission Members and the executive committee:

	2026	2025
Salaries and other short-term employee benefits	$ 906,337	$ 916,750
Post-employment benefits	199,375	199,243
	$ 1,105,712	**$ 1,115,993**

21. Salaries and benefits

	2026	2025
Salaries	$ 11,403,061	$ 10,498,880
Benefits	1,395,183	1,300,718
Pension expenses (Note 19)	1,273,010	1,172,958
	$ 14,071,254	**$ 12,972,556**

22. Administration

	2026	2025
Information technology	$ 777,878	$ 475,262
Other administration	765,492	592,193
Investor protection and education	457,226	578,344
Members and staff development	326,355	356,016
	$ 2,326,951	**$ 2,001,815**

23. Alternative presentation – Income statement by function

		2026	2025
Revenue	Securities	$ 19,252,868	$ 19,403,018
	Insurance	5,753,583	4,888,459
	Consumer Affairs	930,936	862,185
	Financial Institutions	768,640	837,470
	Unclaimed Property	667,376	694,759
	Investment Income	405,385	611,014
	Pensions	244,852	243,528
	Miscellaneous	31,097	34,416
		28,054,737	27,574,849
Expenses	Governance and Corporate Management	7,045,934	6,376,962
	Insurance	3,318,365	2,677,746
	Securities	1,789,221	1,402,140
	Consumer Affairs	1,720,175	1,649,240
	Communications and Public Affairs	1,622,552	1,600,037
	Pensions	829,508	828,871
	Enforcement	798,685	822,544
	Unclaimed Property	667,376	694,759
	Financial Institutions	625,190	808,071
	Tribunal	171,137	204,092
		18,588,143	17,064,462
Comprehensive income		**$ 9,466,594**	**$ 10,510,387**