



Reserve Bank
of New Zealand
Te Pūtea Matua



RBNZ RELATIONSHIP CHARTER SURVEY REPORT

RESERVE BANK OF NEW ZEALAND ' MAY 2022

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SECTION 1

BACKGROUND & METHODOLOGY

BACKGROUND

The Reserve Bank aspires to build and maintain the best ‘regulator/regulated’ supervisory relationships possible with all the entities it regulates. The Reserve Bank’s Relationship Charter was established in 2018 and represents a mutual undertaking of how the parties will work together to achieve this aspiration.

The Charter commits the Reserve Bank and the financial sector to a mutual understanding of appropriate conduct and culture and is underpinned by the principles of mutual respect, ethical behaviour and te hunga tiaki –stewardship for a healthy and efficient financial system that benefits all New Zealanders.

Within the Charter is an understanding that the Reserve Bank will regularly measure performance against the mutual commitments set out within the Charter and share the lessons learnt. The Reserve Bank commissioned Fiftyfive5 to conduct the third annual relationship charter survey to evaluate how the Reserve Bank is performing against the charter commitments, and how this compares to their performance in 2020 and 2021.

This report presents the results of the 2022 research among bank and insurer stakeholders, with comparison against the 2020 and 2021 results.

The overall aim of this research is to gather feedback from key stakeholders on how the Reserve Bank’s Relationship Charter has worked for them. Please see Appendix 1 for the full Relationship Charter.

Feedback was obtained relating to the following key commitments in the Relationship Charter:

Behaviours

- Honest
- Achievement focused
- Diligent
- Open-minded
- Professional

Communication

- Clear
- Targeted
- Consistent
- Timely

METHODOLOGY

Representatives from the senior management and boards of registered banks and insurance companies were invited to provide feedback through a 10-minute online survey.

The survey was open from Thursday 7th April to Friday 20th May.

Throughout the report, findings are shown for banks and insurers as a whole and for each sub-group as shown in the table to the right. Significant differences to the 2021 results and across the bank and insurer sub-groups are indicated with arrows:

↑↓ Denotes results significantly different to 2021/previous year

▲▼ Denotes results significantly different to other groups

The survey questions are shown in Appendix 2 of this report.

Please note that results for sub-groups with low sample sizes (under 30 respondents) should be considered indicative only. These have been indicated throughout the report with an asterisk (*).

SAMPLE PROFILE

BANKS

	2022 # of Responses	2022 %
Large banks	24*	30%
Small banks	56	70%
TOTAL	80	100%

INSURERS

	2022 # of Responses	2022 %
Designated insurer	30	53%
Portfolio-managed insurer	27*	47%
TOTAL	57	100%



SECTION 2

SUMMARY OF FINDINGS

SUMMARY OF FINDINGS

BANKS

ENGAGEMENT

Bank stakeholders indicate that there has been a significant decrease in their frequency of engagement with the Reserve Bank over the last 12 months, particularly with the RBNZ's news releases and in-person engagement, including Reserve Bank speaking events or forums. Open-ended feedback indicates that the decline in in-person contact likely reflects the impact of covid restrictions, and that stakeholders would welcome a return to more face-to-face engagement when this is possible again.

Participants from the smaller banks are engaging more frequently with the Reserve Bank via online channels, including the RBNZ's website and via email.

OVERALL RELATIONSHIP

Ratings of the overall relationship with the Reserve Bank continue to be very high, maintaining the gains made in 2021, with 93% of bank participants giving a rating of 4 or 5 (out of 5) compared to 91% in 2021, and 68% in 2020, and no participants gave a low rating of the relationship. Both small and large bank stakeholders rate their overall relationship highly.

Among stakeholders who provided suggestions on ways the relationship could be improved further the main themes include a desire for increased understanding and flexibility, reducing regulatory requirements or workloads, and more proactive and timely communication. Other suggestions for improvement mentioned included increasing engagement post-Covid and growing the partnership to be even stronger.

DELIVERY AGAINST THE RELATIONSHIP CHARTER

The Reserve Bank's performance in delivering on the relationship charter also remains strong, with small improvements in performance on specific aspects of the charter including for being diligent and targeted in their communications. Although ratings of the RBNZ's performance are slightly lower in certain areas, such as for consistent and timely communications, no aspects show significant declines.

Stakeholders' feedback about how the Reserve Bank delivers on the charter is predominantly positive. Common themes mentioned related to having a good relationship consistent with the charter commitments, having noticed an improvement in their dealings with the Reserve Bank, and open and transparent communication.

SUMMARY OF FINDINGS

INSURERS

ENGAGEMENT

Generally, insurer stakeholders are engaging with the Reserve Bank at a similar frequency to bank stakeholders. The most frequent method of communication is via news releases, the website and via email, although frequency of engagement with the website has declined in the past 12 months. In contrast to the bank participants, insurer stakeholders indicate that they are engaging with the Reserve Bank in person more frequently than in 2021.

Designated insurers are engaging with the Reserve Bank via email, phone, in person and via news releases more frequently than portfolio-managed insurers.

OVERALL RELATIONSHIP

Over 7 in 10 insurer participants rated their relationship with the Reserve Bank highly (4 or 5 out of 5). This is slightly higher than in 2021 where two-thirds gave a rating of 4 or 5, although not a significant increase. Designated insurers were more likely to give a positive rating of the relationship than portfolio-managed insurers, and less likely to give a low rating (1 or 2 out of 5).

The most common themes mentioned by insurers in the feedback they provided on ways to improve the relationship included clearer or more direct communication, greater consistency of key contact relationships and more flexibility and understanding of workloads.

DELIVERY AGAINST THE RELATIONSHIP CHARTER

Just under 2 in 3 insurer participants gave a rating of 4 or 5 (out of 5) for how well the Reserve Bank delivers on the charter while 5% gave a low rating of 1 or 2. Insurer participants remain less likely than bank participants to give a high rating of how well the RBNZ lives up to the charter. Designated insurers are more likely to give a positive rating of the Reserve Bank's delivery against the charter than portfolio-managed insurers, who are more likely to not have a strong opinion, with 26% giving a neutral rating of 3.

In the open-ended comments, while 1 in 3 insurer stakeholders indicated that they had a positive working relationship with the Reserve Bank, a greater proportion expressed a need for improvement or greater alignment with the charter compared with bank stakeholders.

CONCLUSION

PERFORMANCE OVER THE PAST 12 MONTHS

Participants highlighted many aspects where the Reserve Bank performed well over the past 12 months, including having good communication and engagement with the RBNZ, receiving timely and proactive responses and the RBNZ having managed time frames and agendas well. Many stakeholders also made positive comments with regards to the Reserve Bank's handling of the ongoing Covid-19 pandemic.

OVERALL CONCLUSION

Overall, banks and insurers' responses to the 2022 survey indicate that the gains made on key performance measures in 2021 have largely been sustained or built upon, with small improvements apparent among insurer stakeholders in their ratings of the relationship and how well the Reserve Bank delivers on the charter. It is clear that many bank and insurer stakeholders have seen improvements and have strengthened their relationship with the RBNZ further, although there is room for further improvement, particularly among insurer stakeholders, and in certain aspects such as clarity and consistency of communication. Stakeholders look forward to more frequent and more face-to-face contact in the future and to continuing to develop even stronger working relationships.

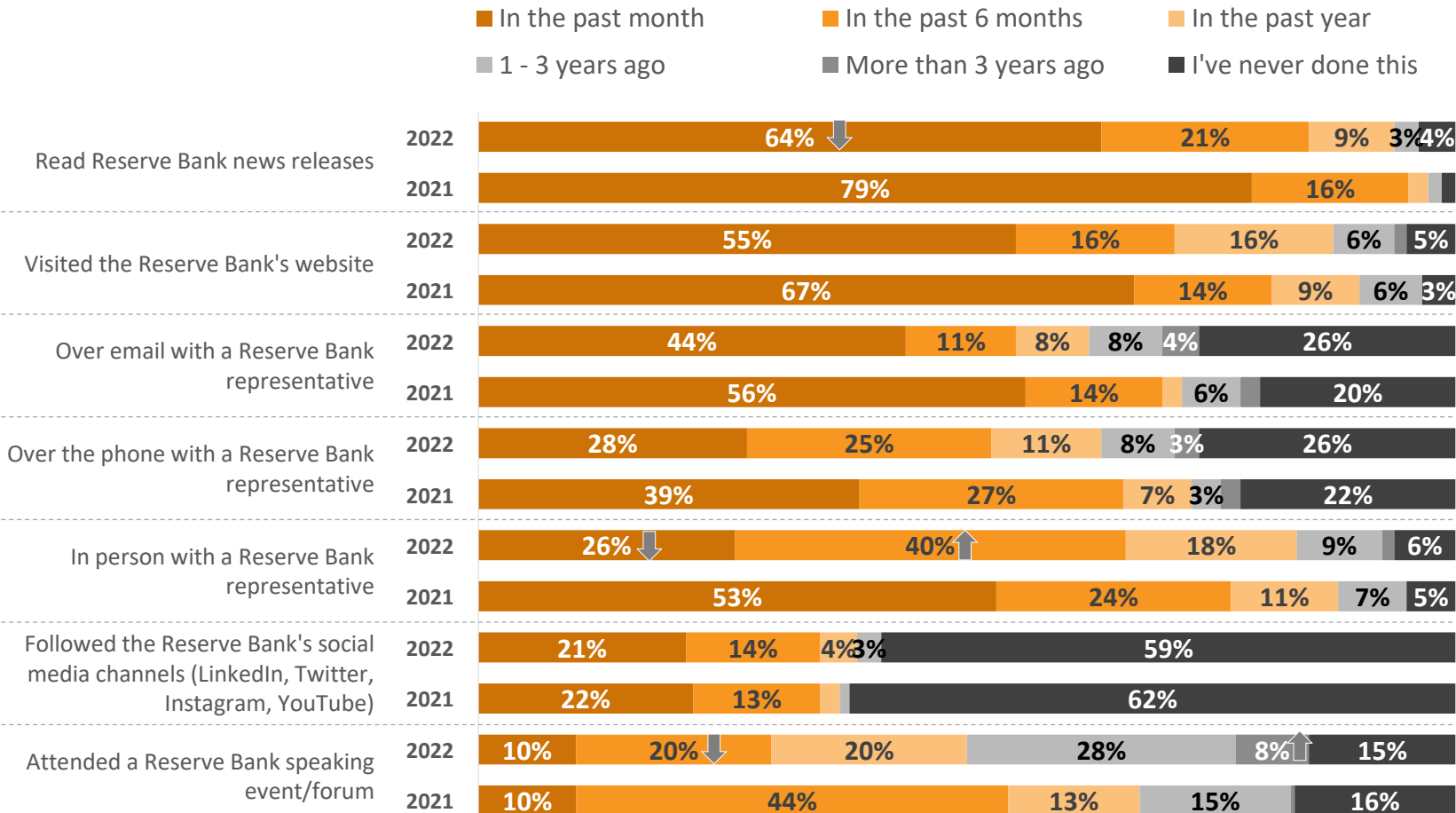


SECTION 3

METHODS & FREQUENCY OF ENGAGEMENT WITH THE RESERVE BANK

BANKS

Frequency of engagement with the Reserve Bank by channel – comparison with 2021



↑↓ Statistically significant vs 2021 to 95% confidence

Banks are most commonly engaging with the Reserve Bank via their news releases (64% have read in the past month), the website (55% have visited in the past month) and email with a Reserve Bank representative (44% in the past month), while comparatively fewer are engaging with the Reserve Bank on their social media channels (21% in the past month, and 59% have never done this) or at speaking events/forums (10% in the past month).

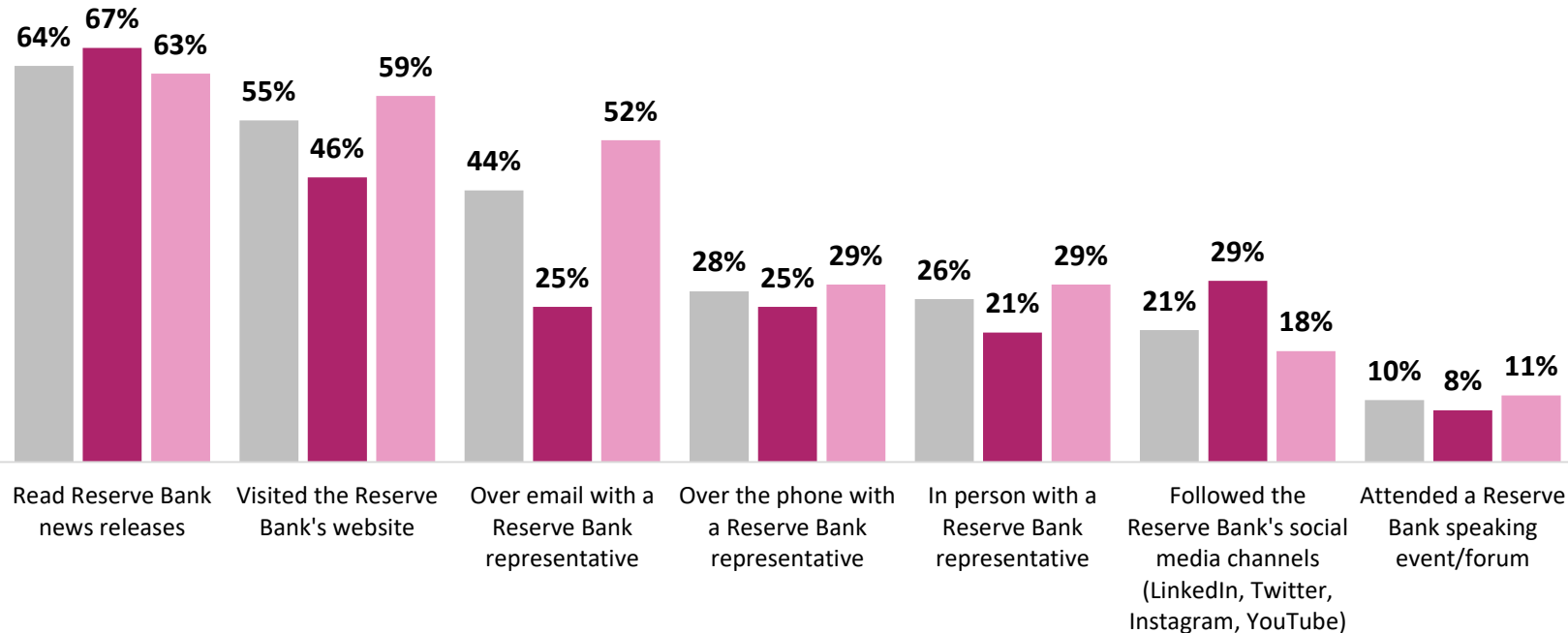
There has been a significant decrease in the frequency of engagement with Reserve Bank news releases among bank participants. In 2022 over 6 in 10 reported having read a news release in the past month (64%), compared with almost 8 in 10 in 2021 (79%).

Frequency of in-person communication with the Reserve Bank has also significantly declined with just over 1 in 4 having met with a Reserve Bank representative in person (26%), as compared to over half in 2021 (53%), and 30% have attended a Reserve Bank speaking event or forum in the past 6 months, compared to 54% in 2021.

BANKS

Frequency of engagement with the Reserve Bank by bank size (% in the past month)

■ All Banks (n=80) ■ Large banks (n=24*) ■ Small banks (n=56)



Results indicate that participants within the smaller banks are engaging more frequently via online channels than participants from the large banks. In particular, participants from smaller banks are more likely than those in the larger banks to have visited the Reserve Bank's website (59% large, 46% small), or to have had contact with a Reserve Bank representative via email (52% large, 25% small) in the past month, although these differences are not statistically significant.

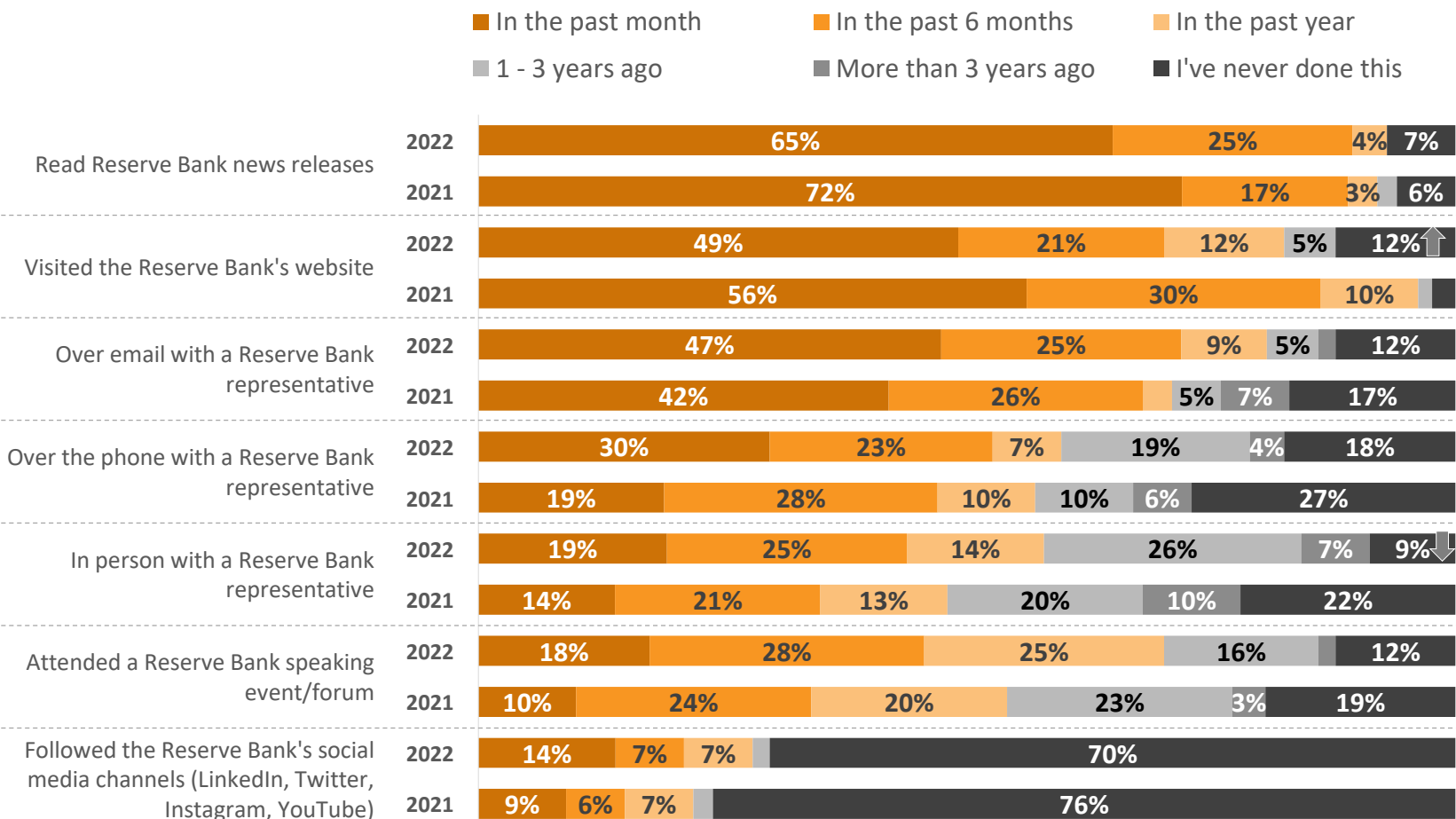
Conversely, participants from the large banks are more likely to have engaged with the Reserve Bank's social media channels in the past month than the smaller banks (29% large, 18% small).

* Caution: low sample size. Results indicative only

N.B. No significant differences between large and small banks

INSURERS

Frequency of engagement with the Reserve Bank by channel – comparison with 2021



↑↓ Statistically significant vs 2021 to 95% confidence

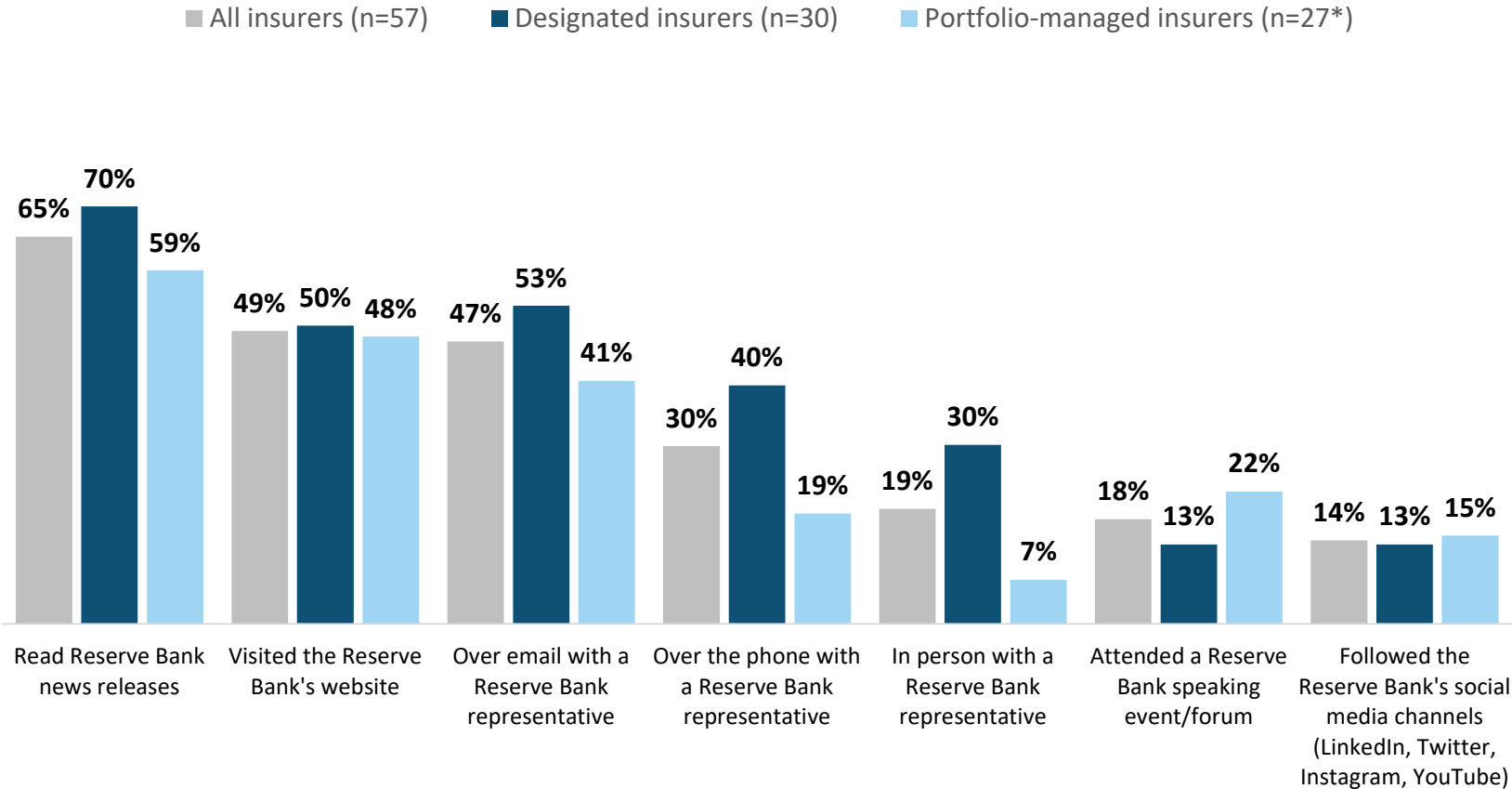
Insurers are also most commonly engaging with the Reserve Bank via their news releases (65% have read in the past month), the website (49% have visited in the past month) and email with a Reserve Bank representative (47% in the past month), while fewer are engaging with the Reserve Bank at speaking events/forums (18% in the past month) or on their social media channels (14% in the past month, and 70% have never done this).

There has been a decrease in the frequency of engagement with the Reserve Bank website among insurer participants. This is reflected by 70% having visited the website in the past 6 months (vs. 86% in 2021), and by the fact that 12% of insurers say they have never done this, as compared to just 2% in 2021.

Conversely, results indicate that frequency of in person communication with the Reserve Bank has increased. This is reflected by just under half (44%) having met with a Reserve Bank representative in person this year, compared to 35% in 2021, and only 9% saying that they have never done this (vs. 22% in 2021).

INSURERS

Frequency of engagement with the Reserve Bank by insurer type (% in the past month)



Although there are no statistically significant differences between insurer sub-groups, results indicate that designated insurers are engaging with the Reserve Bank more frequently than portfolio-managed insurers. In particular, participants from designated insurers are more likely than those from portfolio-managed insurers to have or had contact with a Reserve Bank representative via email (53% designated, 41% portfolio-managed), over the phone (40% designated, 19% portfolio-managed) or in person (30% designated, 7% portfolio-managed) in the past month.

Meanwhile, participants from portfolio-managed insurers are more likely to have engaged with the Reserve Bank's social media channels in the past month than participants from designated insurers (22% portfolio-managed, 13% designated).

* Caution: low sample size. Results indicative only

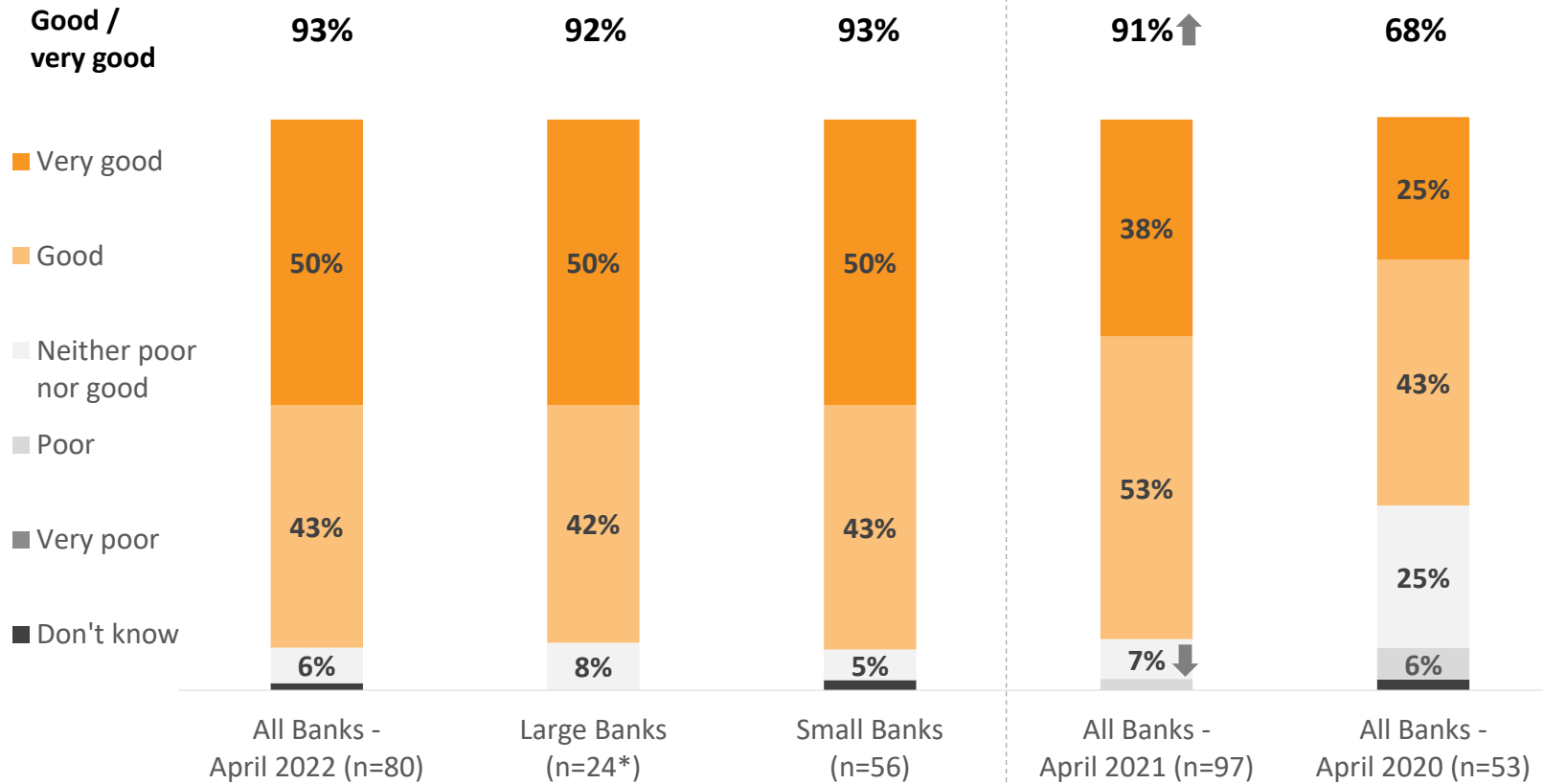
N.B. No significant differences between designated and portfolio-managed insurers



SECTION 4

RELATIONSHIP WITH THE RESERVE BANK

Relationship with the Reserve Bank – overall rating



Bank participants' overall ratings of their relationship with the Reserve Bank continue to be very high, with 93% giving a rating of 'good' or 'very good', as compared to 91% in 2021.

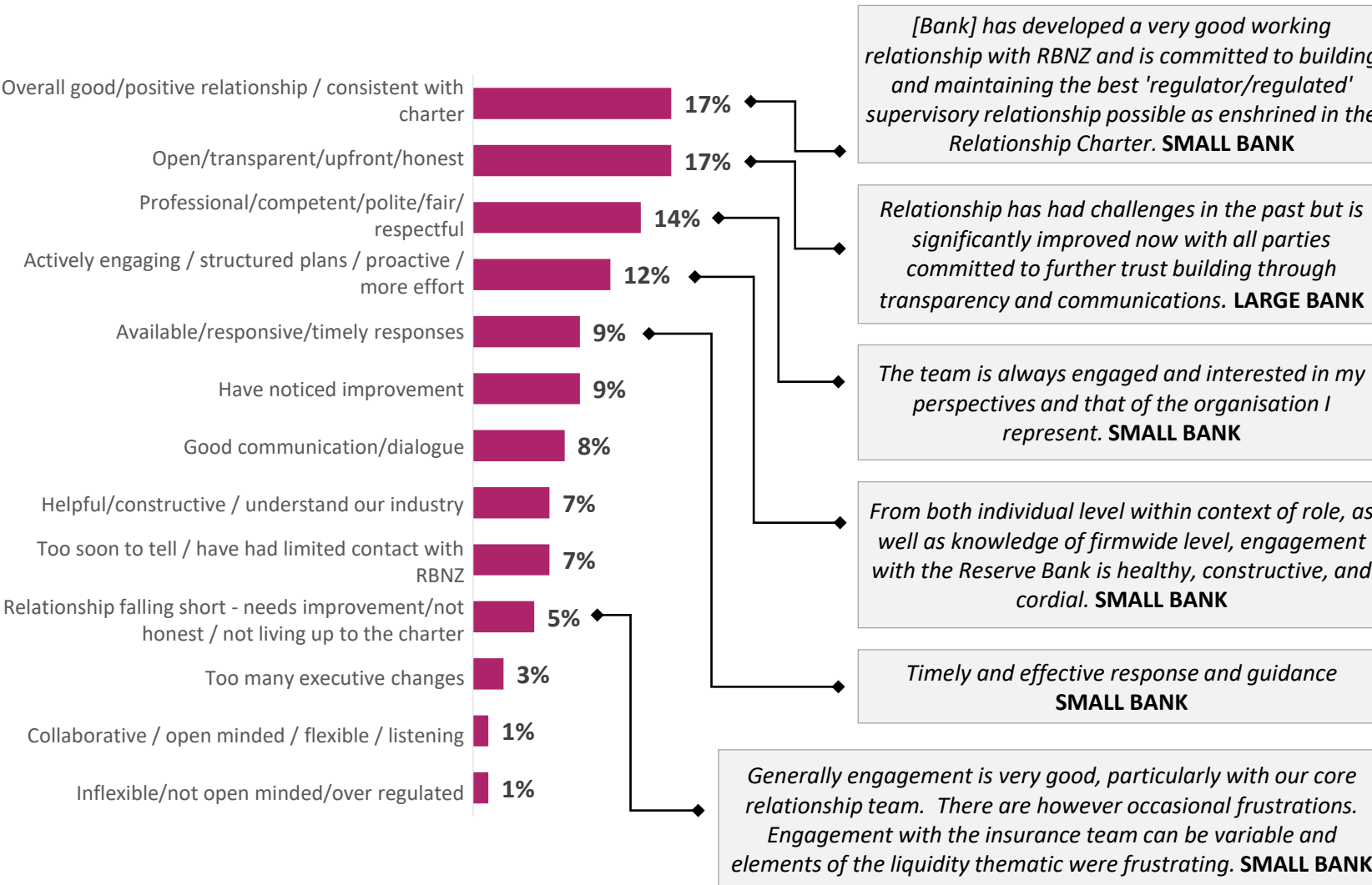
Only 6% of participants gave a neutral rating of their relationship with the Reserve Bank, and no respondents gave a rating of 'poor' or 'very poor.'

Both large and small bank stakeholders rated their overall relationship with the Reserve Bank highly with 92% of participants from large banks giving a rating of 'good' or 'very good', and 93% for participants from small banks.

* Caution: low sample size. Results indicative only

↑↓ Statistically significant vs previous year to 95% confidence
N.B. No significant differences between bank subgroups

Relationship with the Reserve Bank – reason for rating



Bank participants were asked why they gave the rating they did of their relationship with the Reserve Bank. The chart to the left illustrates the themes arising from the feedback.

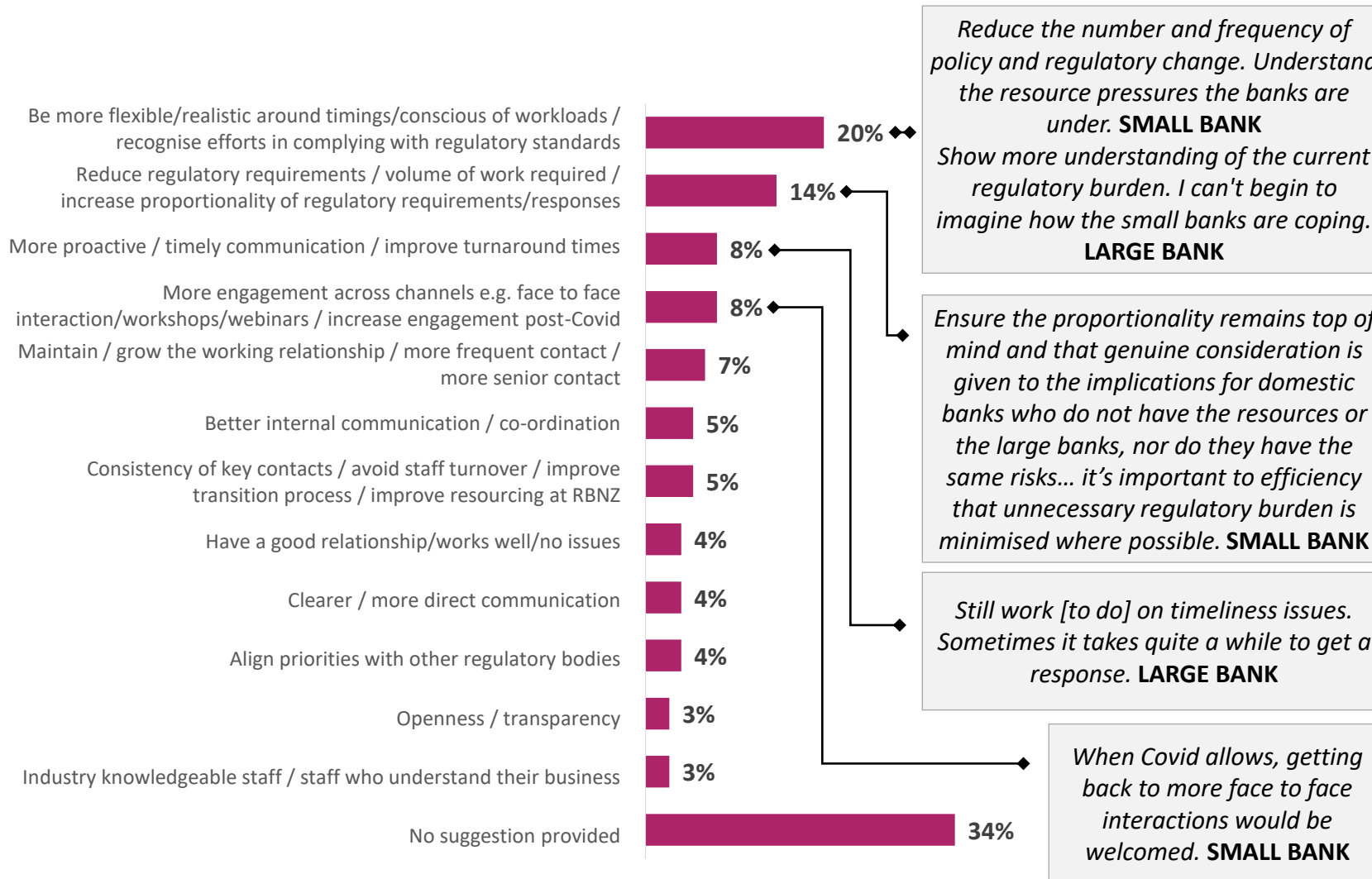
The majority of comments were positive in nature, with 17% saying the relationship was good and is working well, and/or is consistent with the values set out in the Relationship Charter.

Others mentioned specific aspects of the relationship as the reason(s) why they gave a positive rating of their relationship with the Reserve Bank, including that communication is **open and honest** (17%), the Reserve Bank is **professional, respectful and fair** in its dealings with them (14%), **actively engages with them** in a **proactive** manner (12%) and is **responsive and timely** in responding to questions (9%).

While 9% commented that they had **noticed an improvement** in the relationship, a small number of bank stakeholders (5%) pointed to issues with their relationship with the RBNZ or felt the relationship was **in need of further improvement**.

BANKS

Priorities to improve the relationship

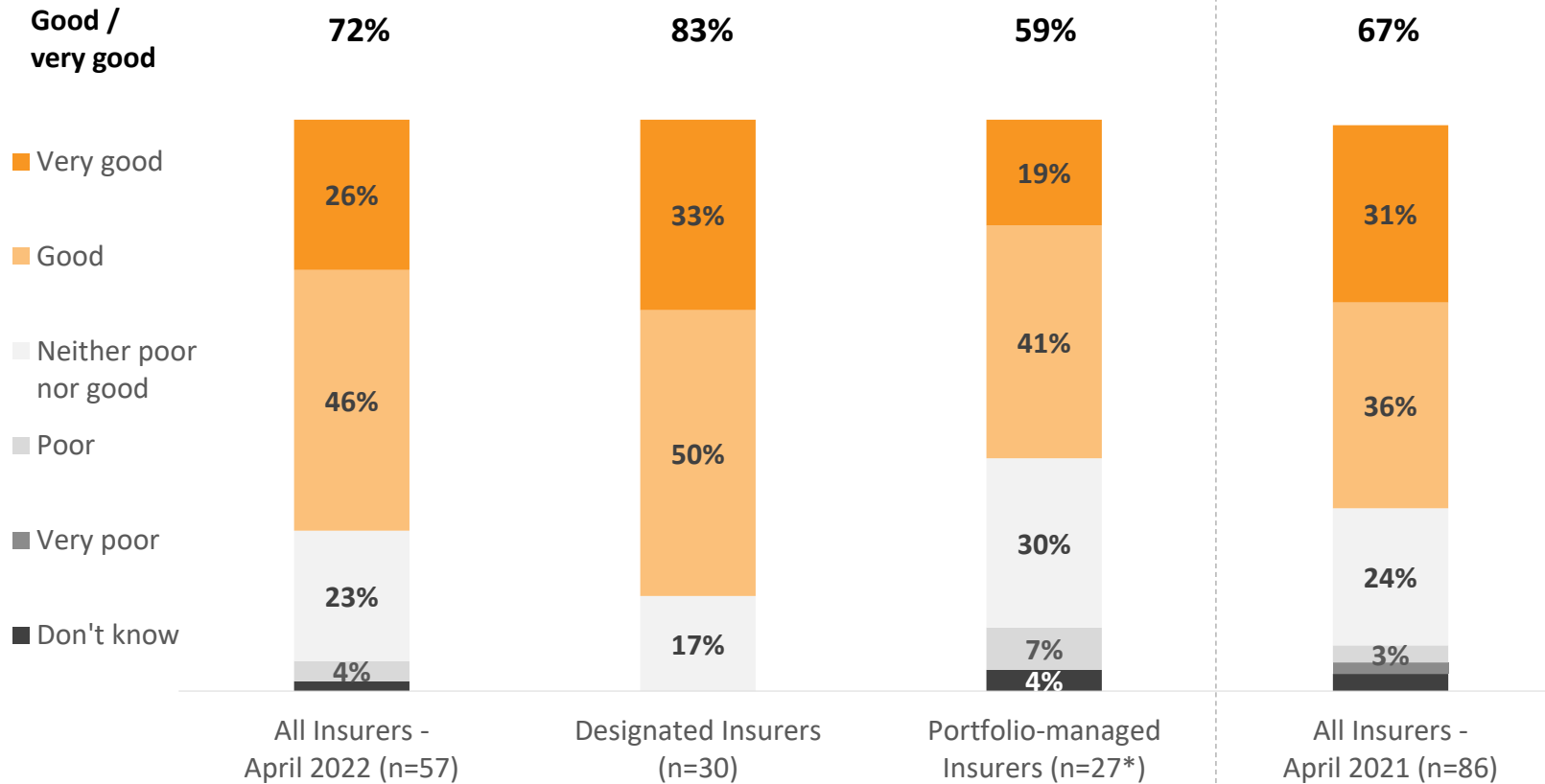


34% of bank participants did not provide a suggestion for ways to improve their relationship with the Reserve Bank.

The most common theme arising from the feedback from those who did make a suggestion related to wanting **increased flexibility and understanding** from the Reserve Bank, as well as to show **greater recognition of banks' efforts** in ensuring compliance with regulatory standards (20%). Another related suggestion mentioned by 14% of bank participants was around **reducing the regulatory workload** or ensuring that **regulatory requirements for banks were proportional** to the level of risk posed and/or to the size of the bank.

8% provided suggestions related to the **timeliness/proactivity of responses**, and 8% mentioned a desire for **increased engagement**, including a return to **face-to-face** modes of contact when this was possible again.

Relationship with the Reserve Bank – overall rating



Over 7 in 10 insurer participants rated their relationship with the Reserve Bank as 'good' or 'very good' (72%). This represents an increase on 2021 (albeit not statistically significant), where two-thirds (67%) gave a positive rating.

Insurer participants were significantly more likely to give a neutral rating as compared to bank participants (23% for insurers, vs. 6% for banks).

Designated insurers rated the overall relationship higher than portfolio-managed insurers (83% of participants from designated insurers give a rating of 'good' or 'very good', vs. 59% from portfolio-managed insurers).

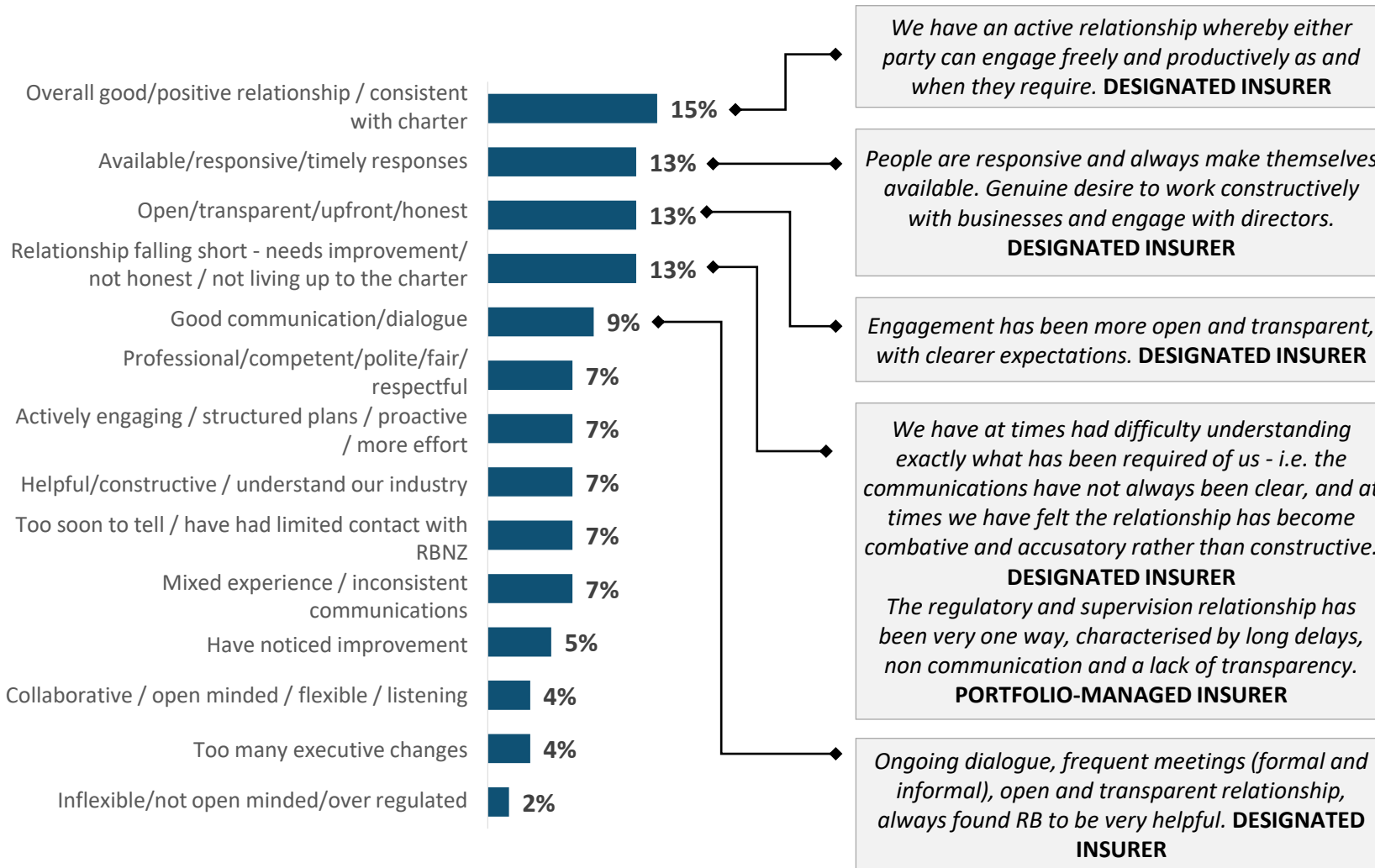
Only 4% of insurers overall rated the relationship as 'poor' or 'very poor' (as compared to 5% in 2021) and these were more likely to be portfolio-managed insurers (7%), a pattern which was also observed in 2021.

N.B. No significant differences vs 2021 or between insurer subgroups

* Caution: low sample size. Results indicative only

INSURERS

Relationship with the Reserve Bank – reason for rating

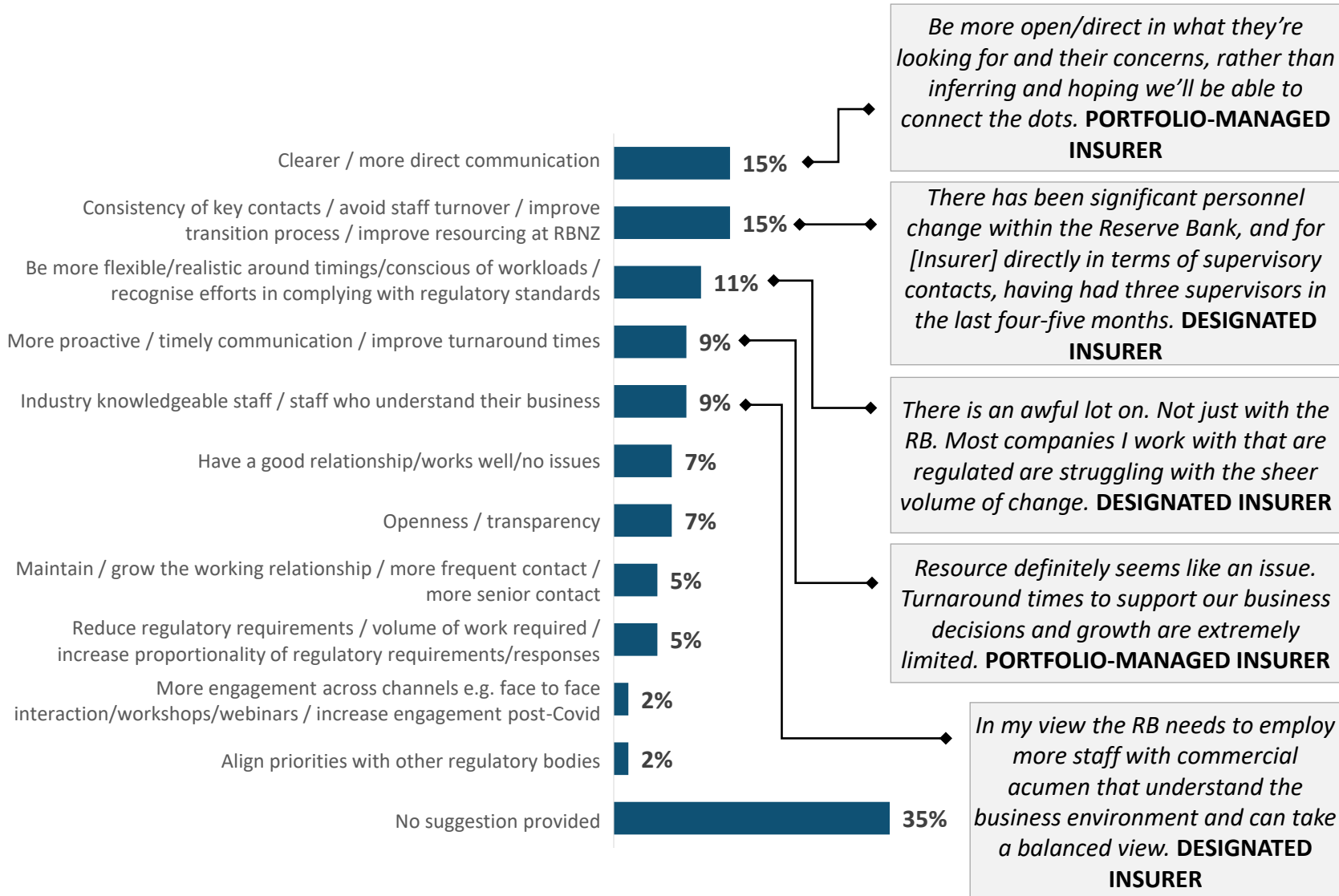


Insurer participants were asked why they gave the rating they did of their relationship with the Reserve Bank. The chart to the left illustrates the themes arising from the feedback.

15% of insurers said they had a good working relationship with the Reserve Bank. Specific positive aspects of the relationship mentioned by insurers included that the Reserve Bank staff are **available/responsive and provide timely responses** (13%), are **open and transparent** (13%), are **professional, respectful and fair** (7%), or that they have **good communication/dialogue** with the Reserve Bank (9%).

A greater proportion of insurers indicated that they felt their relationship with the Reserve Bank was **in need of improvement** (13%, as compared to 5% for banks).

Priorities to improve the relationship



35% of insurer participants did not provide a suggestion for areas for improvement.

The most common suggestion among those who did provide a comment related to a desire for **clearer or more direct communication** from the Reserve Bank (15%), followed by greater **consistency of key contact relationships** (15%).

11% of insurers mentioned a desire for **increased flexibility and understanding** from the Reserve Bank, while 9% provided suggestions related to the **timeliness/proactivity of responses**, and 9% of insurers provided suggestions related to having **staff who are knowledgeable about the insurance sector**.

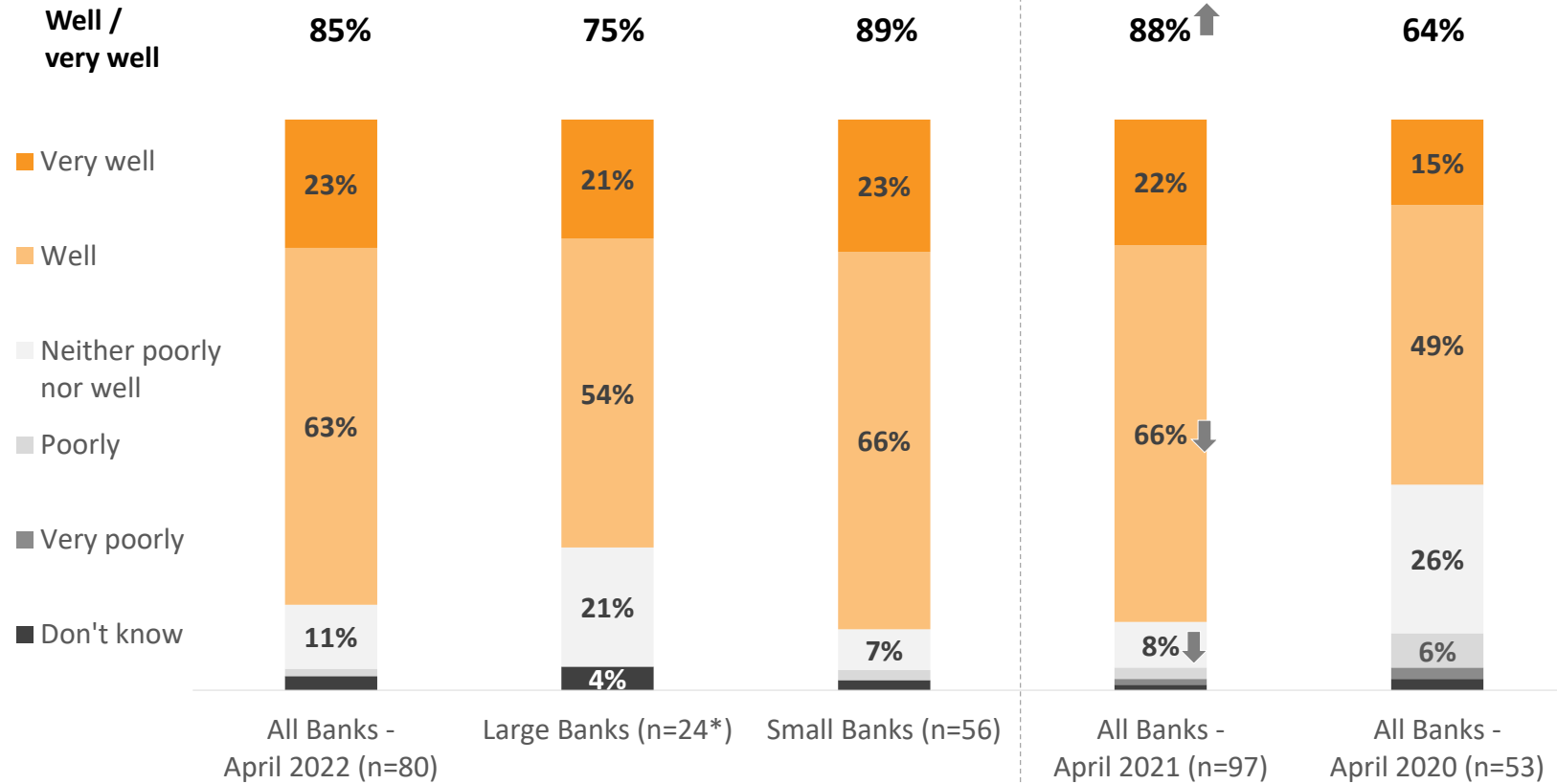


SECTION 5

LIVING UP TO THE RELATIONSHIP CHARTER

BANKS

How well the Reserve Bank lives up to the Relationship Charter



Similar to bank participants' overall rating of the relationship, their ratings for how well the Reserve Bank delivers on the Relationship Charter remain strong with 85% giving a rating of 4 or 5 (out of 5) compared with 88% in 2021 (this is not a statistically significant decrease).

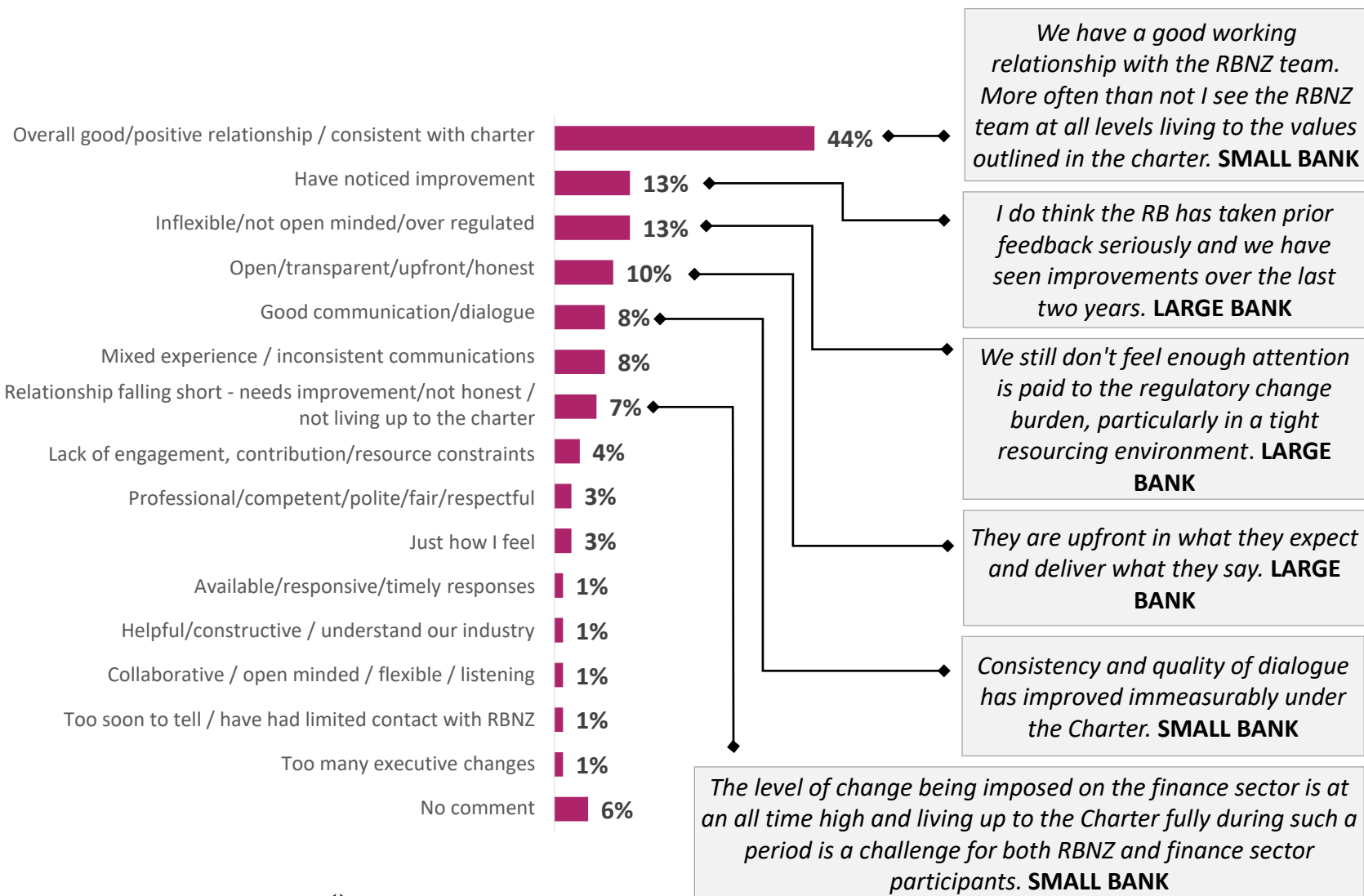
Small banks are more likely to give positive ratings with 89% giving a rating of 4 or 5, compared to 75% for large banks.

* Caution: low sample size. Results indicative only



Statistically significant vs 2020 to 95% confidence
N.B. No significant differences vs 2021 or between bank subgroups

How the Reserve Bank lives up to the Relationship Charter

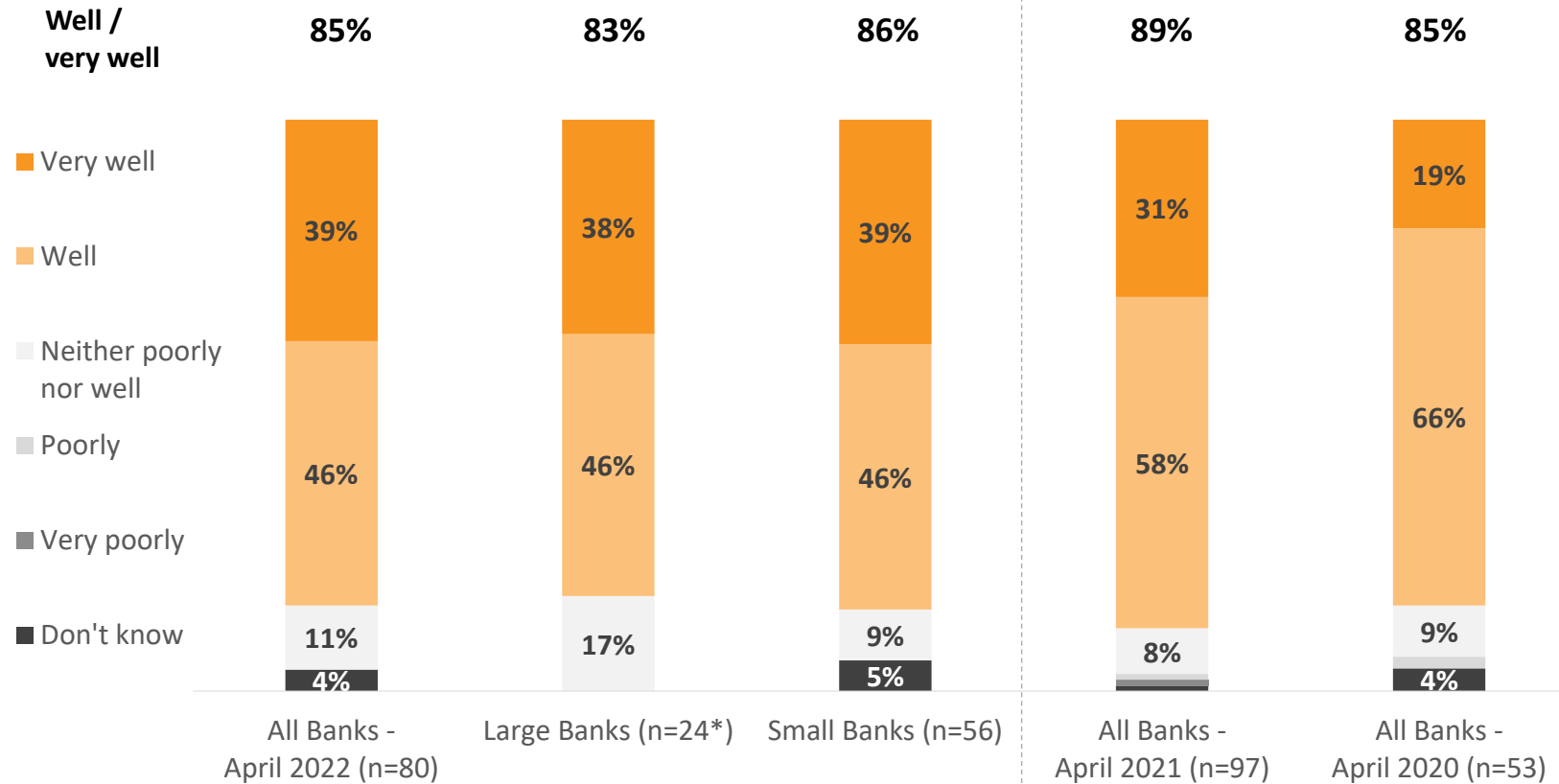


When asked to provide more detail about how the Reserve Bank lives up to the charter, almost half (44%) were positive in their feedback, expressing that the Reserve Bank lives up well to the behaviours and values laid out in the relationship charter. A further 13% expressed that they had **noticed improvement** in the Reserve Bank's delivery on the charter, and roughly 1 in 10 praised the Reserve Bank for being **open and transparent** (10%), or for being **good communicators** (8%).

Among the less positive comments, the most common themes emerging from the feedback included perceptions that the Reserve Bank was **inflexible or not open-minded** (13%), **inconsistent** in its communications or dealings (8%), or that there was a general **need for improvement** in the relationship (7%).

BANKS

How well their organisation lives up to the Relationship Charter



N.B. No significant differences vs 2021 or between bank subgroups

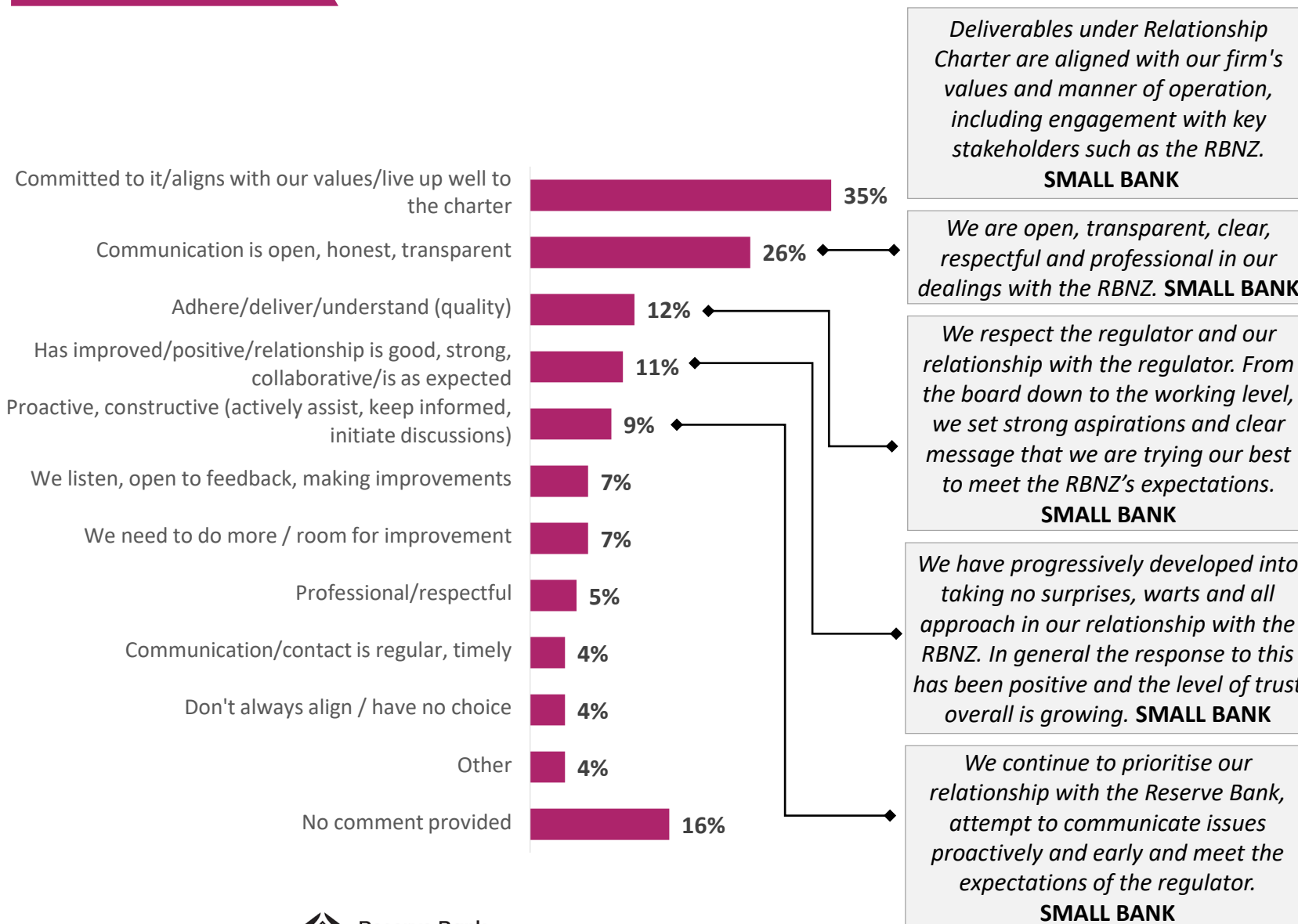
* Caution: low sample size. Results indicative only

When asked how well their own organisation delivers on the relationship charter, 85% gave a rating of 4 or 5 (out of 5), as compared to 89% in 2021 – this is not a statistically significant decline.

Participants from small banks were slightly more likely than large banks to rate their delivery on the relationship charter highly, as 86% of participants from small banks gave a rating of 4 or 5, compared to 83% for large banks. They were also less likely to give a neutral rating (9%) relative to participants from large banks (17%).

BANKS

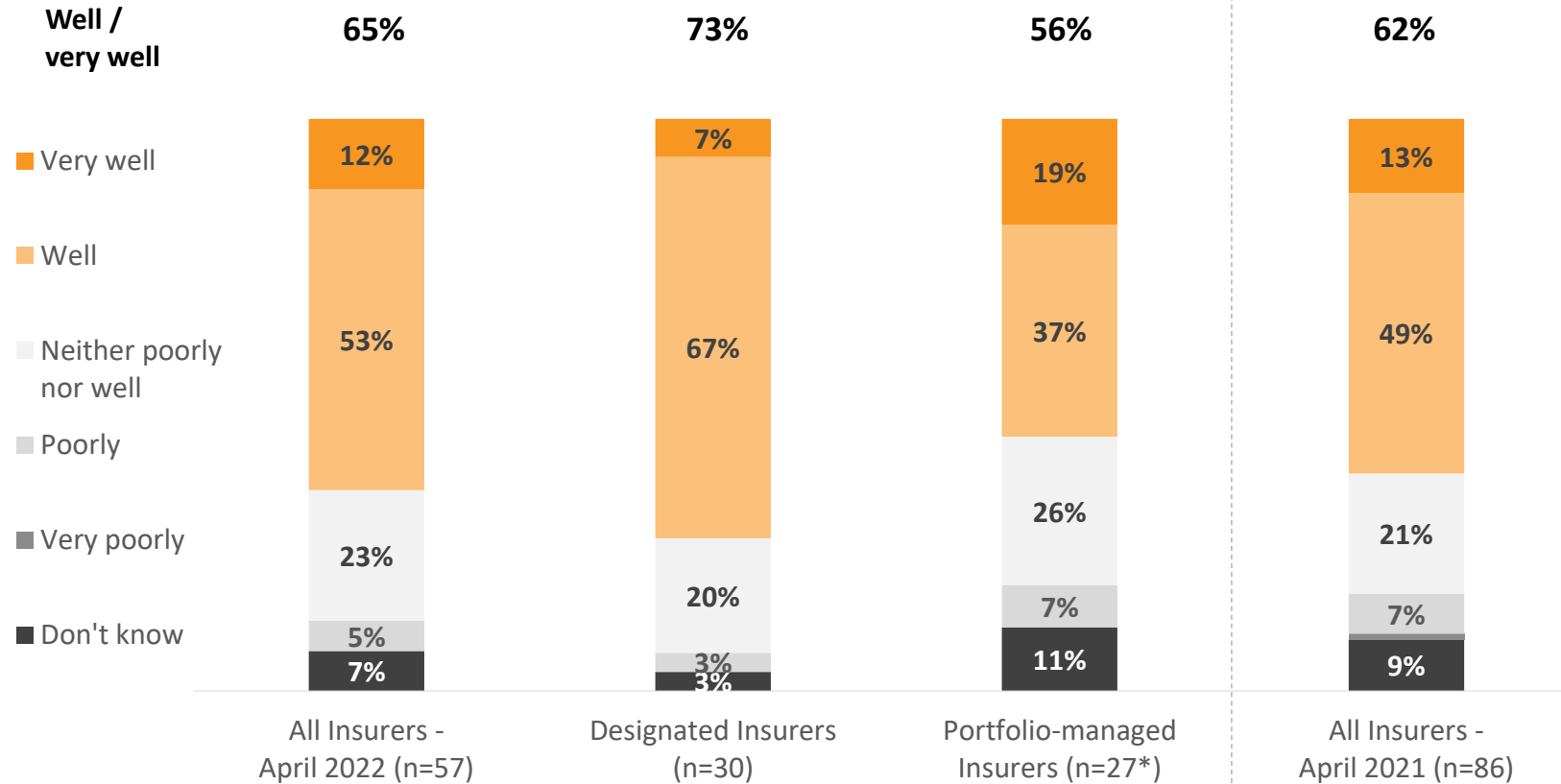
How their organisation lives up to the Relationship Charter



When asked to provide more detail about how their own organisation delivers on the aspects of the charter, 16% of bank participants did not provide further comment.

The main themes arising from comments about how their organisation delivers on the charter included that they are **committed to living up to the charter** and/or the charter **aligns well to their own organisation's values** (35%), that they are **open and transparent** in their communications with the Reserve Bank (26%), they **understand and adhere** to the principles set out in the charter (12%), have **made improvements** in the way they work with the Reserve Bank (11%) and are **proactive and constructive** in their dealings with them (9%).

How well the Reserve Bank lives up to the Relationship Charter



N.B. No significant differences vs 2021 or between insurer subgroups

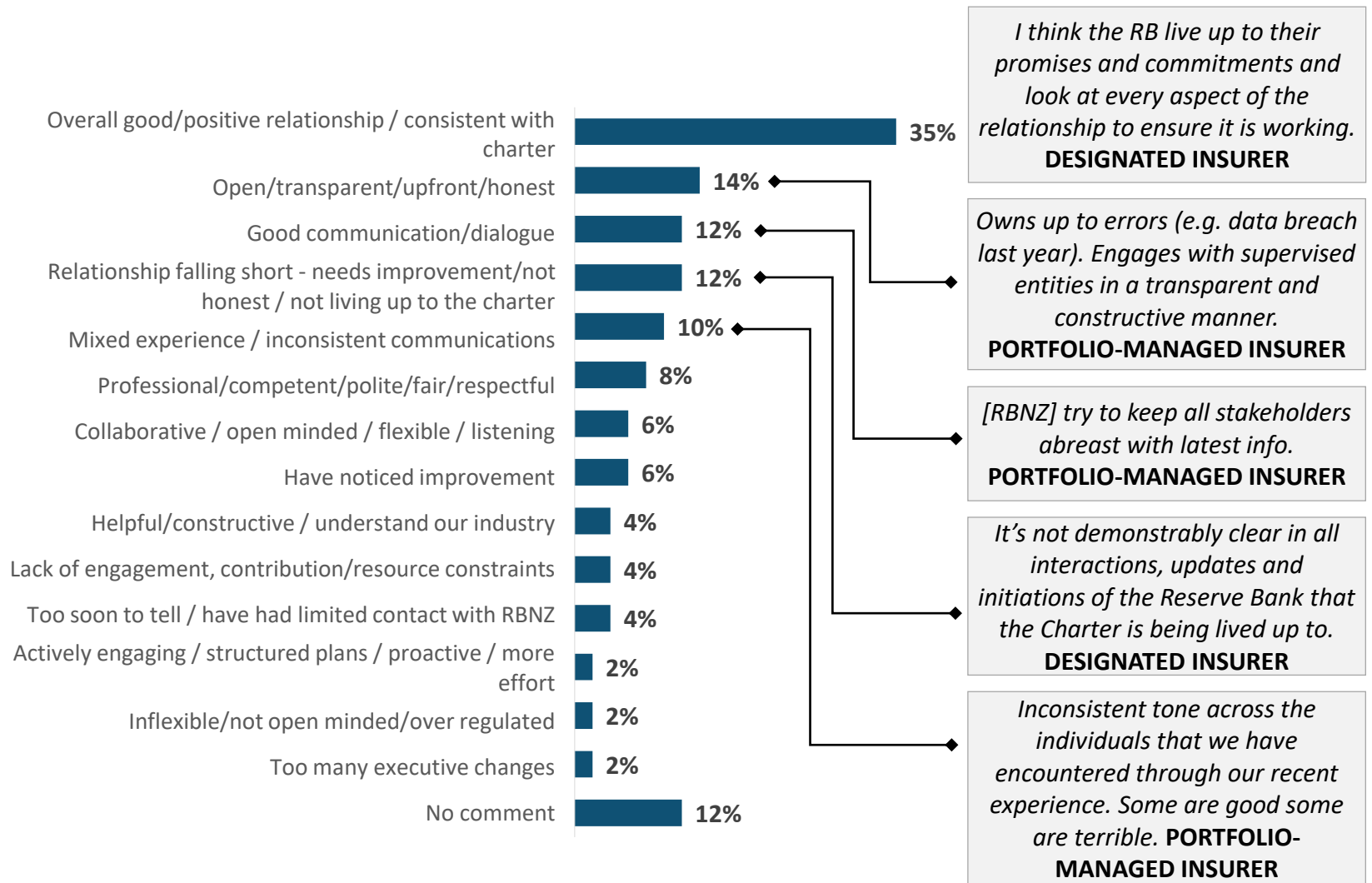
* Caution: low sample size. Results indicative only

65% of insurer participants rated the Reserve bank's delivery on the charter as 4 or 5 (out of 5), and 5% gave a low rating of 1 or 2. This is generally consistent with 2021 results.

Insurer participants tended to rate the Reserve Bank's performance on living up to the charter lower than bank participants, although the gap in ratings has narrowed slightly (this year there is a 20% difference in ratings of 4 or 5 between banks and insurers, vs a 26% difference in 2021), and were more likely to not have a strong opinion, with 23% giving a neutral rating of 3, compared to 11% for bank participants.

Designated insurers were more likely to give a positive rating than portfolio-managed insurers, with 73% of designated insurer participants giving a rating of 4 or 5, as compared with 56% of portfolio-managed insurers. Portfolio-managed insurers were more likely to give a neutral rating of 3 (26%, vs. 20% for designated insurers) or to be unsure (11%, vs. 3% for designated insurers).

How the Reserve Bank lives up to the Relationship Charter



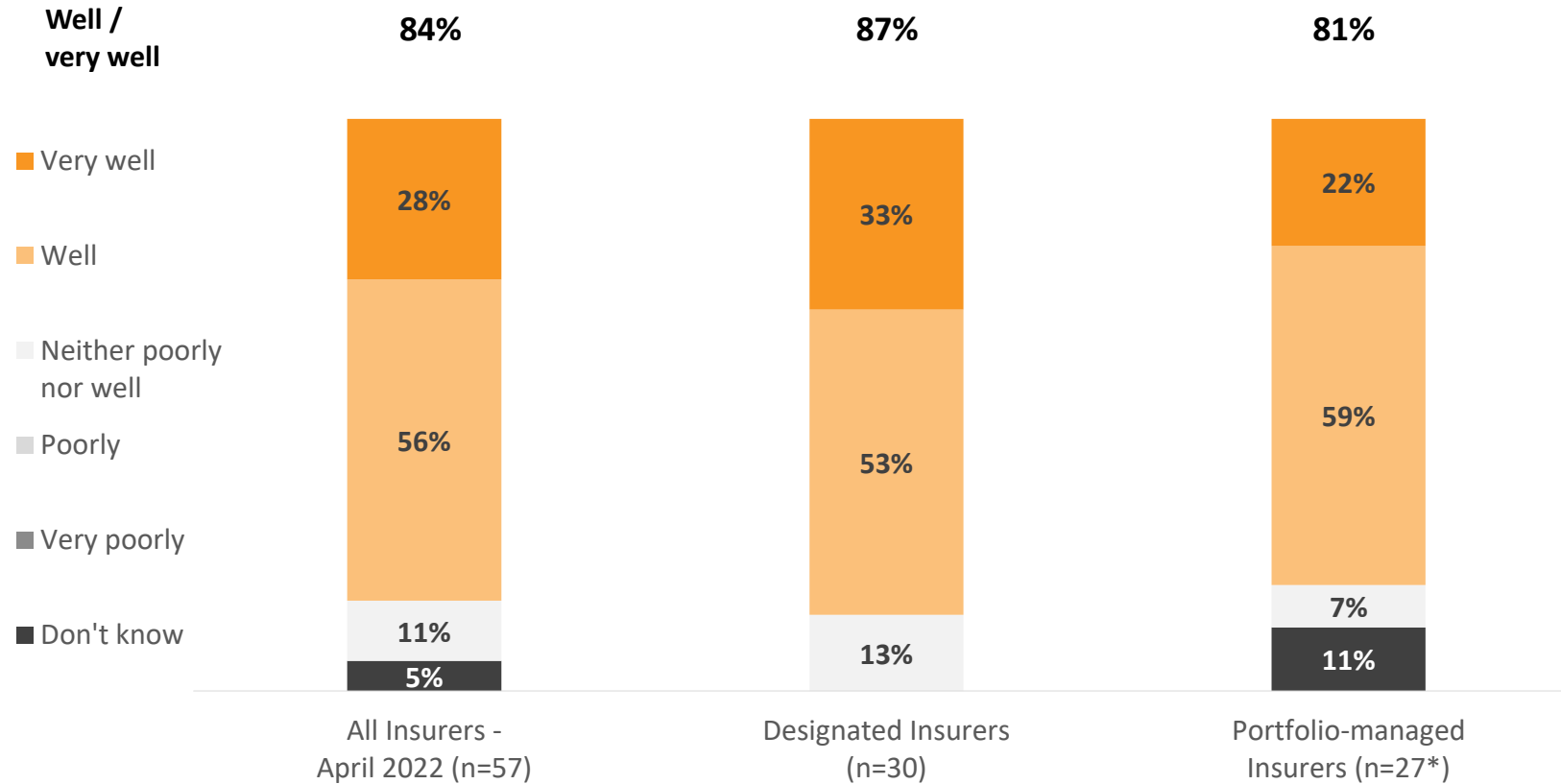
When asked to provide more detail about how the Reserve Bank lives up to the charter, just over one-third of insurer participants were positive in their feedback (35%, as compared to 44% of bank participants).

The most common positive themes included that the Reserve Bank is **open and transparent** (14%), **communicates well with them** (12%) and is **professional, respectful and fair** (8%).

A larger proportion of insurer stakeholders indicated they felt the relationship was in **need of improvement** than bank stakeholders (12%, vs. 7% for banks), or that the Reserve Bank was **inconsistent** in its communications or dealings with them (10%, vs. 8% for banks).

INSURERS

How well their organisation lives up to the Relationship Charter



Results indicate that insurers were more likely to give a higher rating of their organisation's performance than for the Reserve Bank. This is reflected by 84% of insurer participants giving their organisation a rating of 4 or 5, compared to 65% who gave the Reserve Bank a rating of 4 or 5.

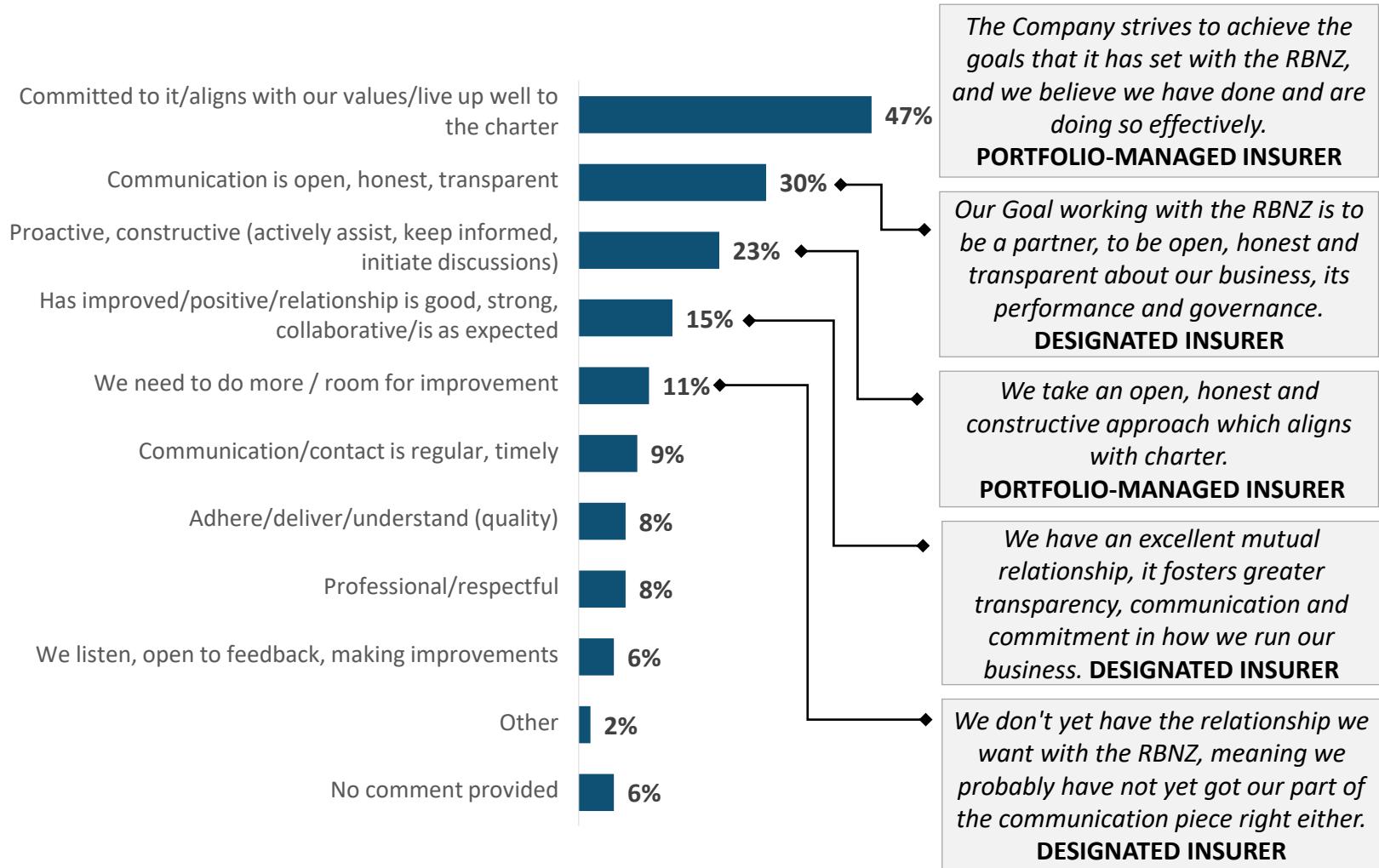
Designated insurers rated their delivery on the charter higher than portfolio-managed insurers do (87% of designated insurer participants gave a rating of 4 or 5, vs. 81% for portfolio-managed insurers).

Note: This question was not asked of insurers in 2021, so no 2021 comparison is available.

N.B. No significant differences between insurer subgroups

* Caution: low sample size. Results indicative only

How their organisation lives up to the Relationship Charter



When asked to provide more detail about how their own organisation delivers on the aspects of the charter, the main themes arising in the feedback included that they are **committed to living up the charter** and/or the charter **aligns well to their own organisation's values** (47%), that they are **open and transparent** in their communications with the Reserve Bank (30%), they are **proactive and constructive** in their dealings with them (23%) and have **made improvements** in the way they work with the Reserve Bank (15%).

Around 1 in 10 insurer participants (11%) expressed that there was still **room for improvement** in the way they worked with the Reserve Bank.

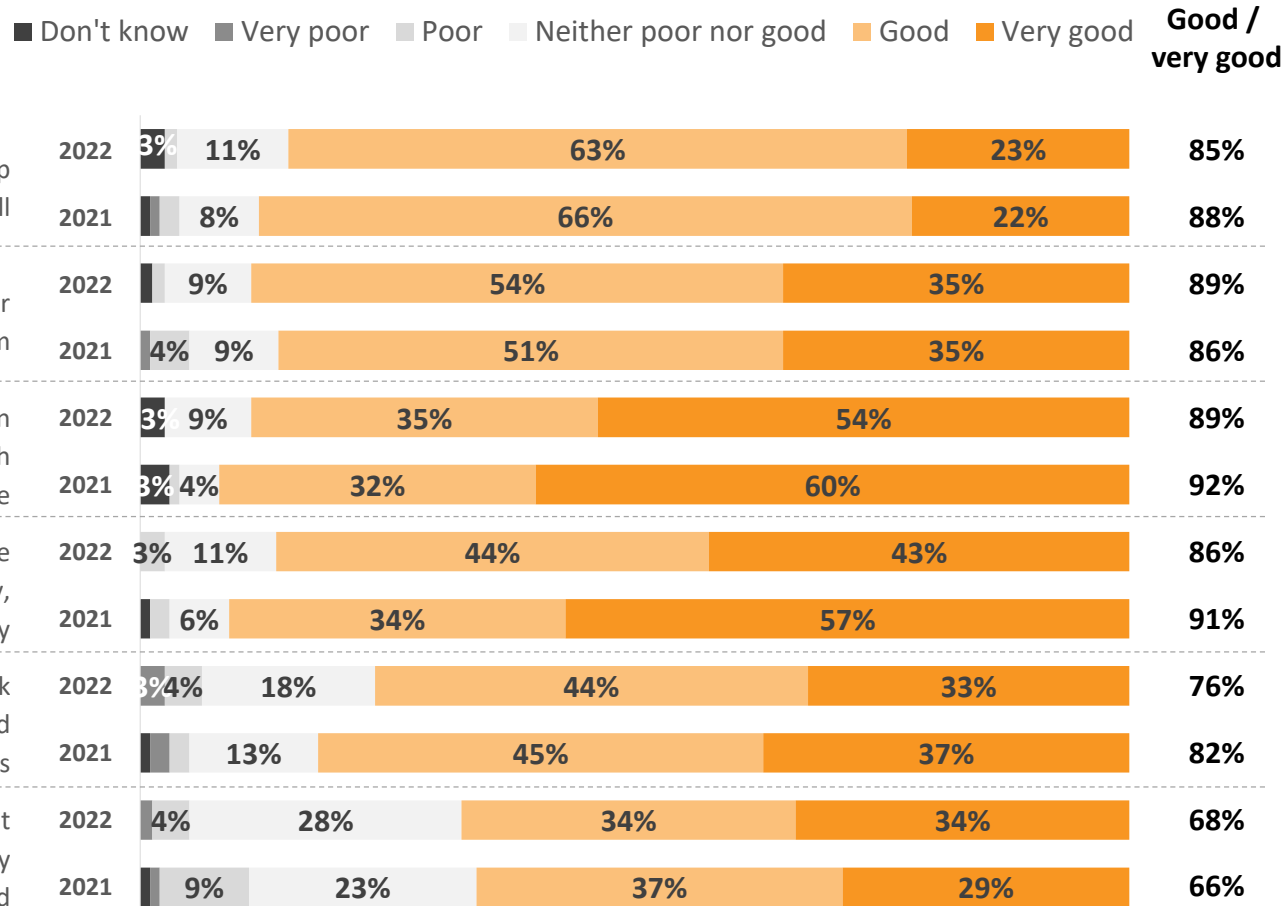
Note: This question was not asked of insurers in 2021.



SECTION 6

RELATIONSHIP ASPECTS / BEHAVIOURS

Relationship aspects/behaviours – comparison with 2021



N.B. No significant differences vs 2021

In terms of delivering on behavioural relationship charter aspects, the Reserve Bank was rated **most highly for being 'diligent' and 'professional'**, with 89% of bank participants giving a rating of 4 or 5 out of 5. Ratings for being 'professional' were strongest, as 54% gave a high rating of 5. Ratings were lowest for 'open-minded', with 68% giving the Reserve Bank a score of 4 or 5, making this the aspect with the most room for improvement.

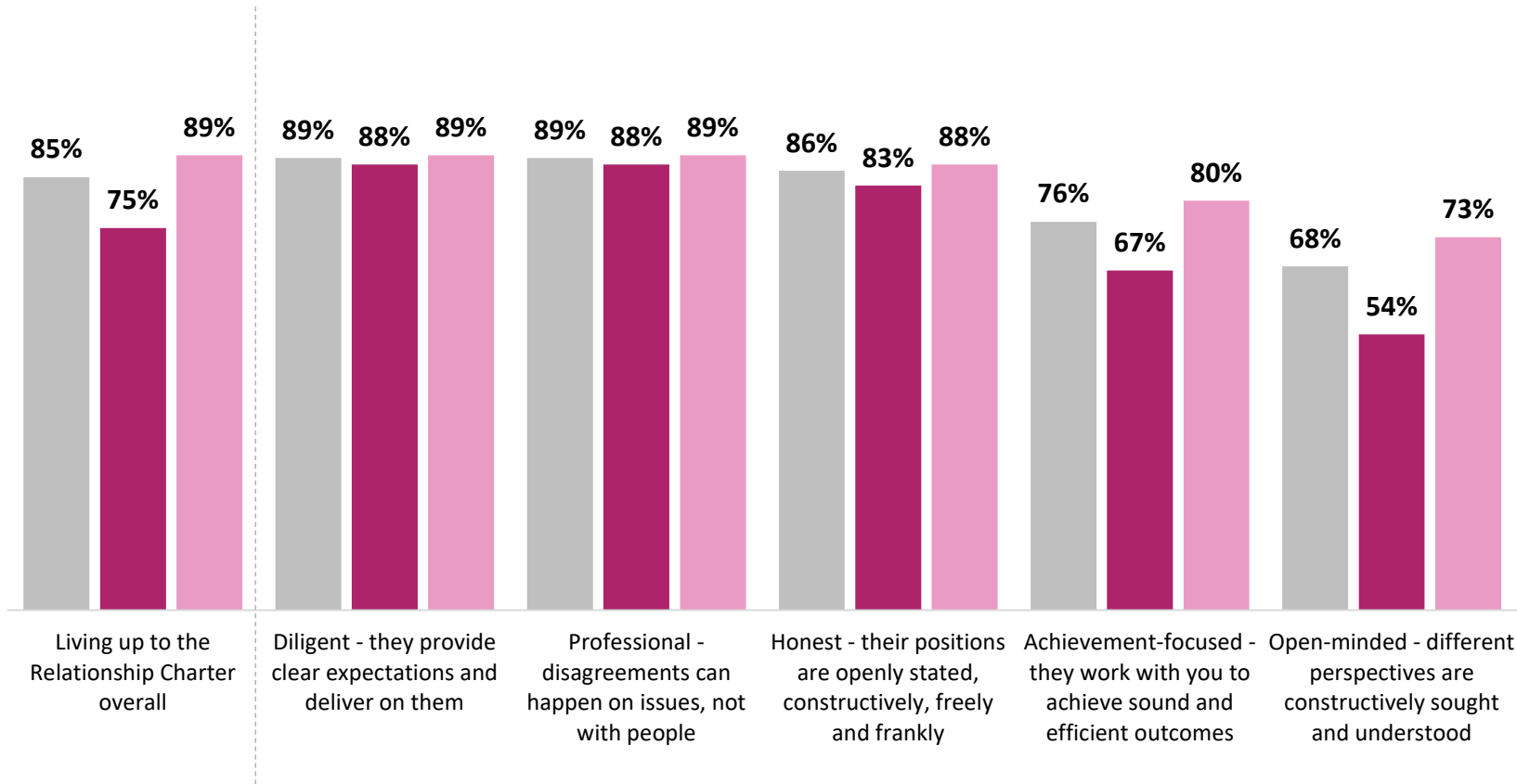
Although there are no statistically significant differences year-on-year, there are indications of improved performance on 'Diligent' and 'Open-minded' in comparison to 2021, with gains of 3% and 2% respectively in the proportion who give a rating of 4 or 5.

Conversely, bank participants gave slightly lower positive ratings than in 2021 for 'Professional' (-3%), 'Honest' (-5%) and 'Achievement-focused' (-6%).

BANKS

Relationship aspects/behaviours by bank size (% rated good / very good)

■ All Banks (n=80) ■ Large banks (n=24*) ■ Small banks (n=56)



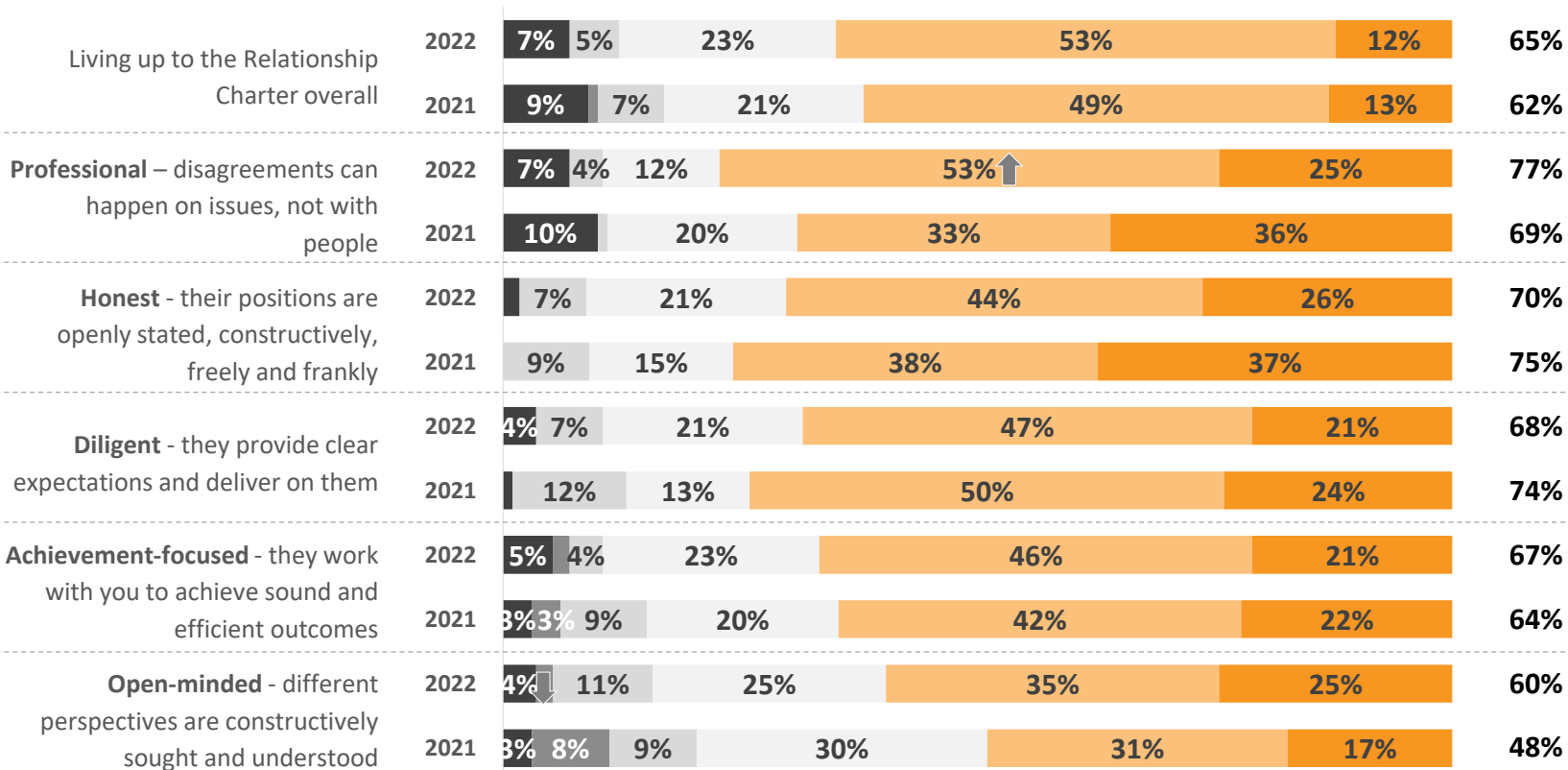
* Caution: low sample size. Results indicative only

N.B. No significant differences between large and small banks

Participants from large and small banks gave very similar ratings of the Reserve Bank for 'diligent' and 'professional,' while The Reserve Bank's performance on being 'honest', 'achievement-focused' and 'open-minded' was stronger among small banks (albeit these differences are not statistically significant).

Relationship aspects/behaviours – comparison with 2021

Don't know
 Very poor
 Poor
 Neither poor nor good
 Good
 Very good
 Good / very good



↑↓ Statistically significant vs 2021 to 95% confidence

As with the overall rating of the relationship, insurer participants gave lower ratings of the Reserve Bank's performance on the charter behaviours, with the largest difference in scores for being 'diligent' and 'honest' (-21% difference in the proportion of insurers giving a rating of 'good' or 'very good' as compared to banks).

The Reserve Bank was rated by insurer participants **most highly for being 'professional'** and this has significantly increased from 2021, with 53% giving a rating of 'good', compared to 33% in 2021.

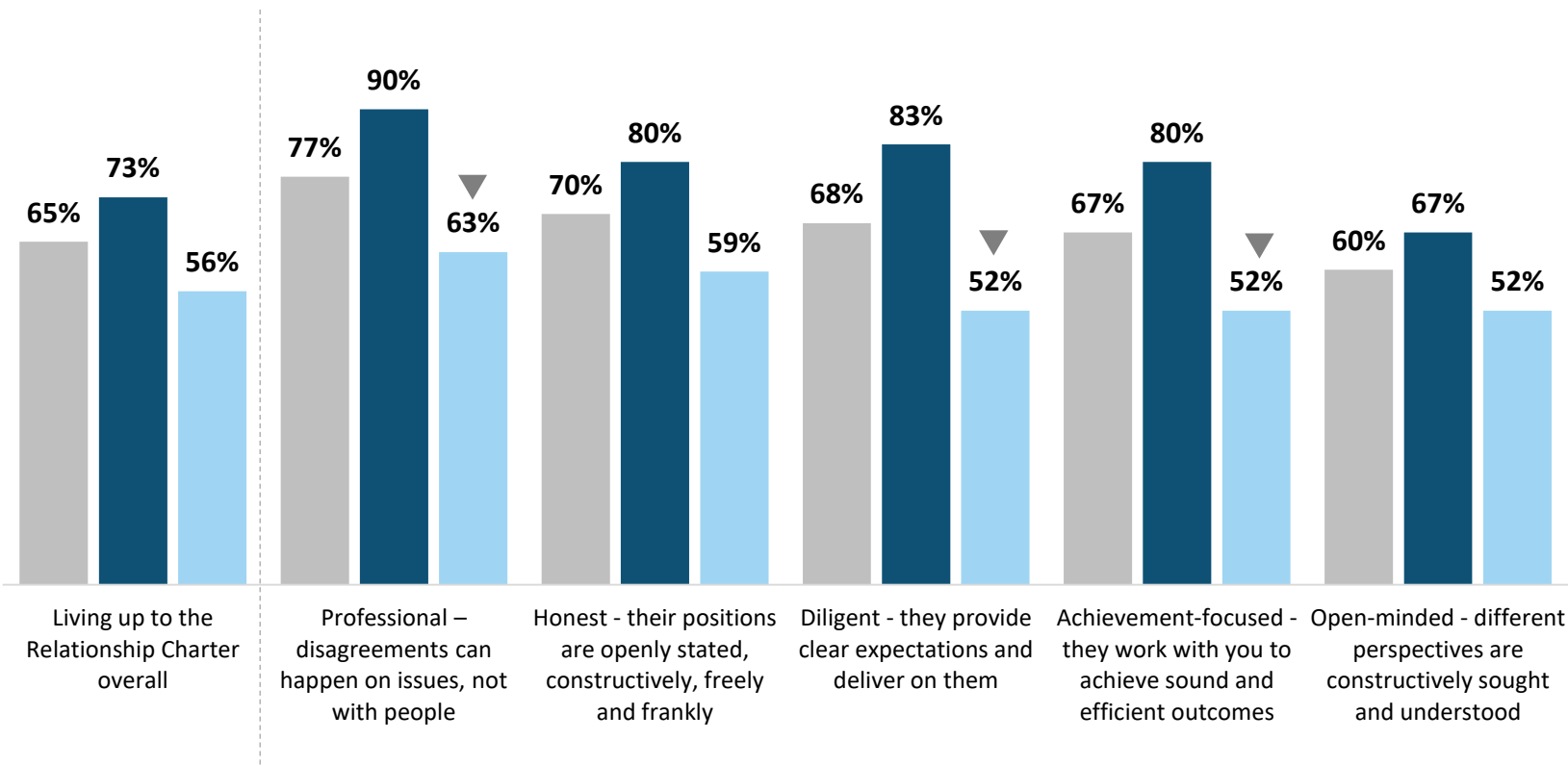
Over two-thirds gave a rating of 'good' or 'very good' for the Reserve Bank's performance for being 'honest' (70%), 'diligent' (68%), and 'achievement-focused' (67%).

Ratings were lower for 'open-minded', with 60% of insurers giving a positive rating, however this has improved from 2021, where 48% gave a positive rating. There is also a significant decline in the proportion of insurers rating the Reserve Bank's performance on this behaviour aspect as 'very poor' (from 8% in 2021 to 2% in 2022).

INSURERS

Relationship aspects/behaviours by insurer type (% rated good / very good)

■ All Insurers (n=57) ■ Designated insurers (n=30) ■ Portfolio-managed insurers (n=27*)



* Caution: low sample size. Results indicative only

▲ Statistically significant vs designated insurers to 95% confidence

The Reserve Bank performs significantly higher on most relationship charter aspects among designated insurers as compared with portfolio-managed insurers.

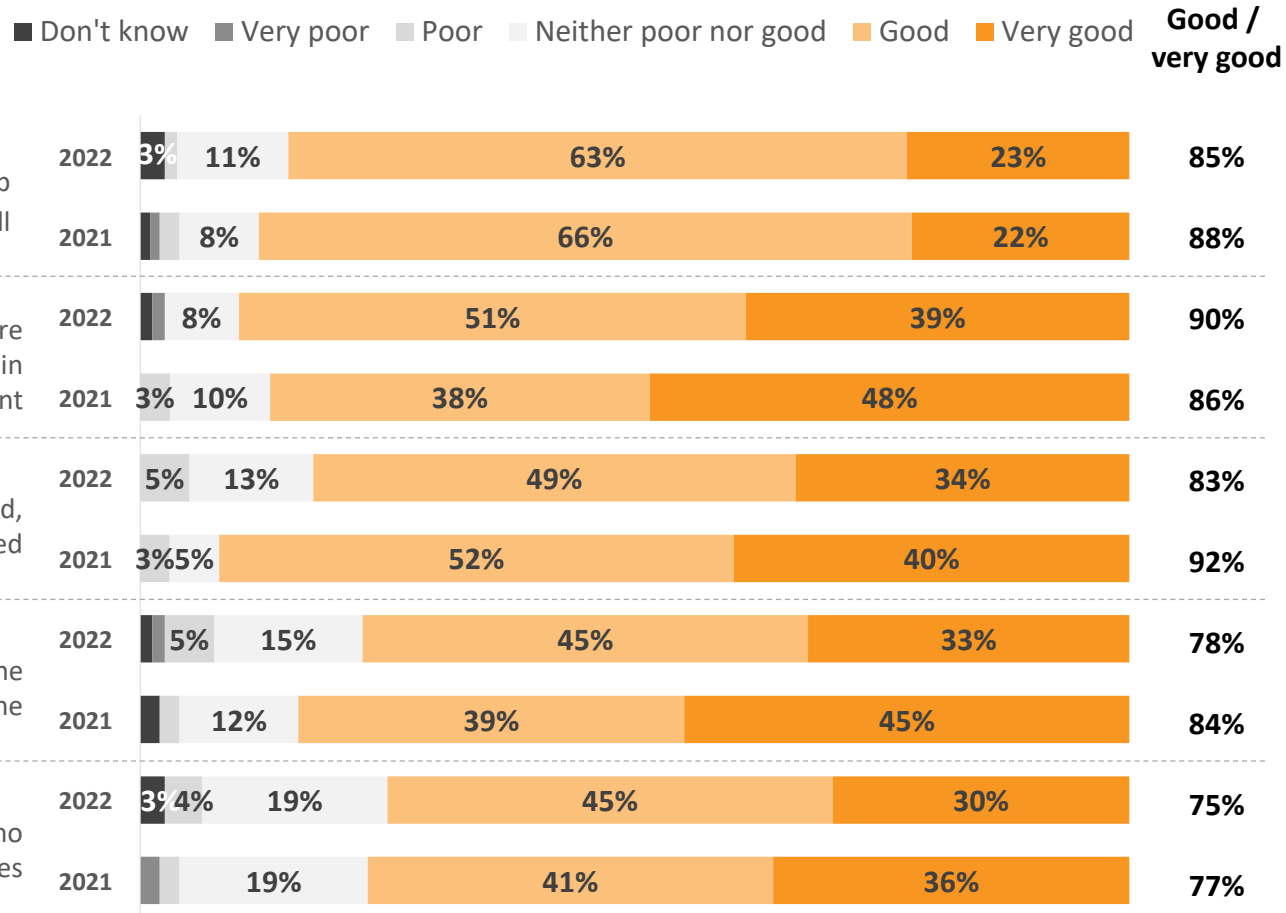
The largest differences between insurer groups were for Diligent (83% of designated insurers gave a rating of 'good' or 'very good' for this, vs. 52% of portfolio-managed insurers), Achievement-focused (80% of designated insurers gave a positive rating, vs. 52% of portfolio-managed insurers) and Professional (90% of designated insurers gave a positive rating, vs. 63% of portfolio-managed insurers).



SECTION 7

COMMUNICATION ASPECTS

Communication aspects – comparison with 2021



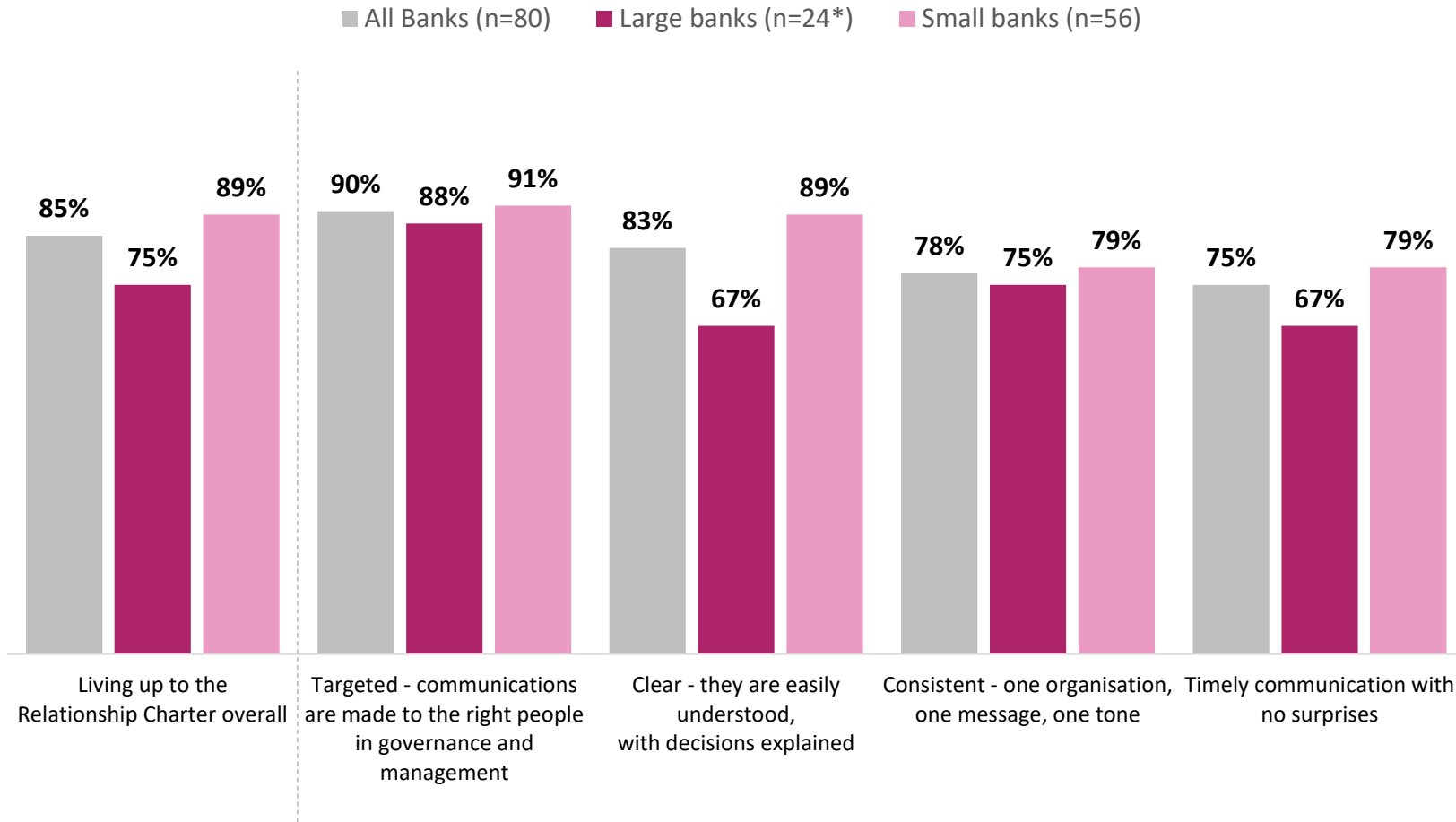
N.B. No significant differences vs 2021

In terms of communication aspects of the relationship charter, the Reserve Bank performs best for providing **targeted** and **clear** communications, with 90% and 83% of bank participants giving a rating of 'good' or 'very good', respectively.

The least positive aspects of the Reserve Bank's communications related to **consistency**, for which 78% gave a rating of 'good' or 'very good', and **timeliness** (75%). Although there are no statistically significant differences year-on-year, indicatively these aspects have declined slightly (-6% positive rating for consistent vs 2021, and -2% for being timely).

BANKS

Communication aspects by bank size (% rated good / very good)

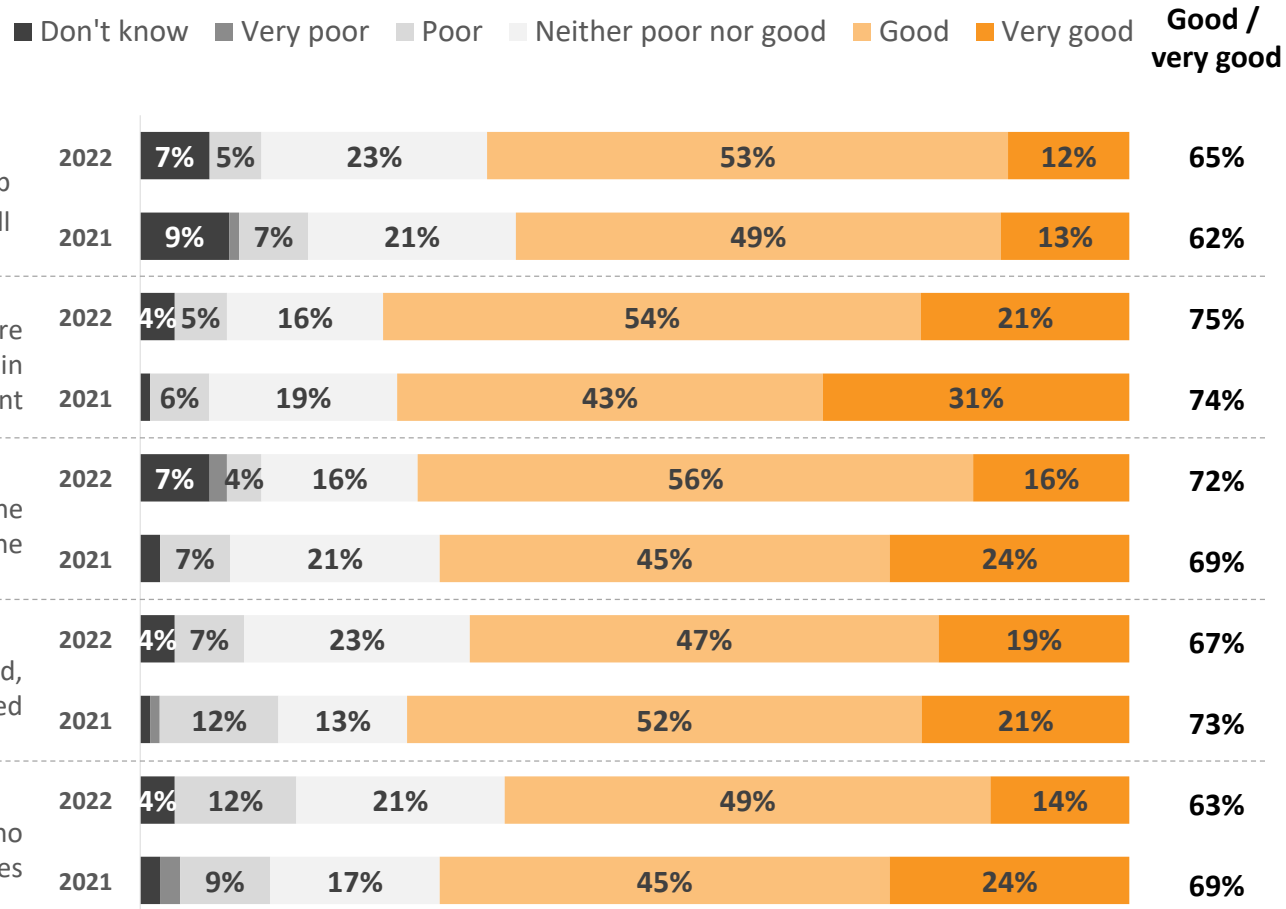


* Caution: low sample size. Results indicative only

N.B. No significant differences between large and small banks

Although there are no statistically significant differences between large and small banks, participants from large banks were less likely to have a positive opinion about the **clarity** of the Reserve Bank's communications (67% rated this as 'good' or 'very good', vs. 89% for smaller banks), or the **timeliness** of communications (67% positive rating, vs. 79% for smaller banks).

Communication aspects – comparison with 2021



N.B. No significant differences vs 2021

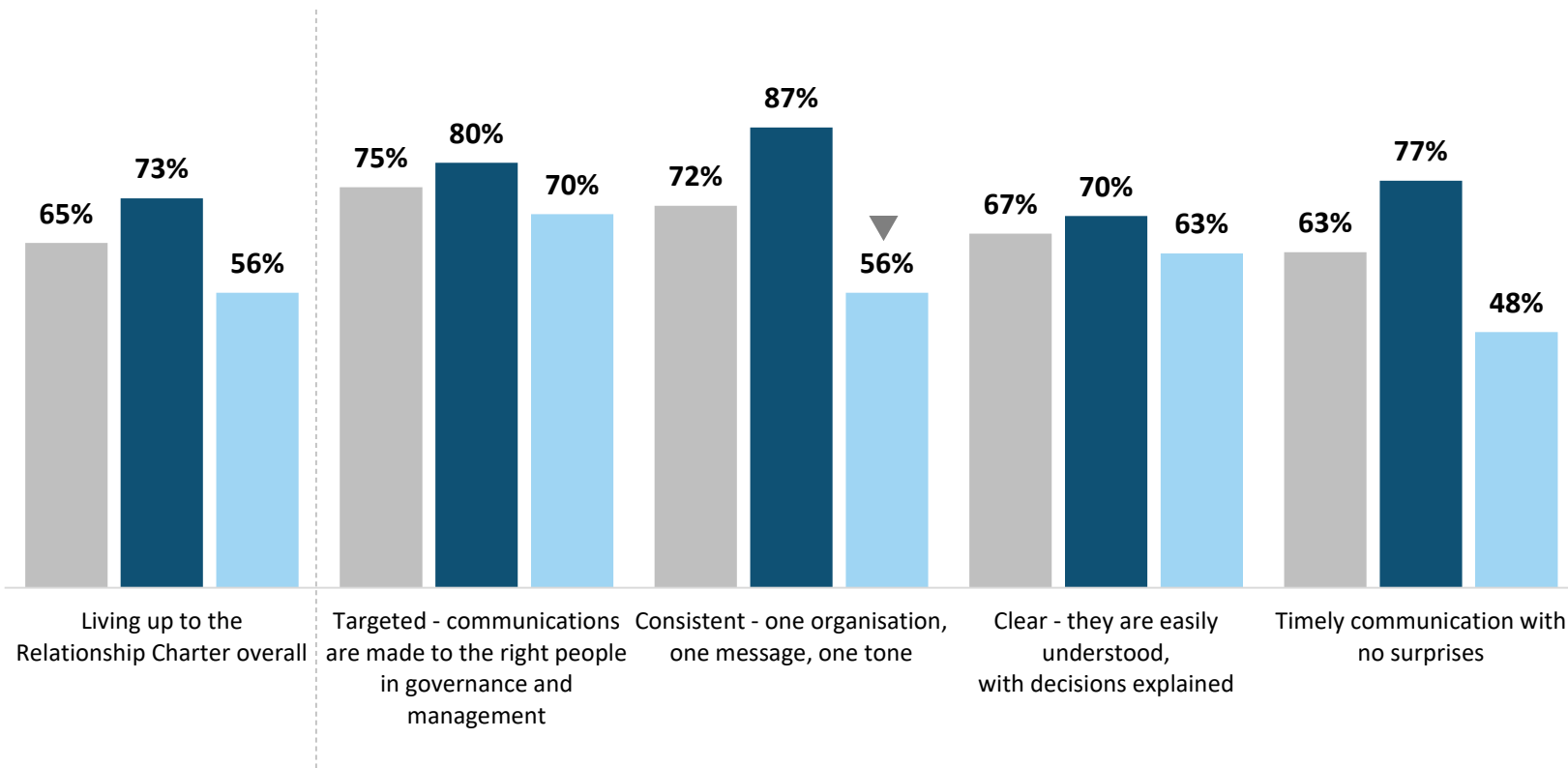
Once again, insurer participants are less likely to give positive ratings of the Reserve Bank's communication than bank participants. Three-quarters (75%) of insurers gave a rating of 'good' or 'very good' for **targeted** communications, as compared to 90% of bank participants, and 67% of insurers rated the Reserve Bank positively for **clear** communications (vs. 83% of banks).

There are no statistically significant differences in communication ratings among insurers relative to 2021, but indicatively positive opinions of the **consistency** of communications have improved slightly (+3%), while they have declined for 'clear' (-5%) and 'timely' (-6%).

INSURERS

Communication aspects by insurer type (% rated good / very good)

■ All Insurers (n=57) ■ Designated insurers (n=30) ■ Portfolio-managed insurers (n=27*)



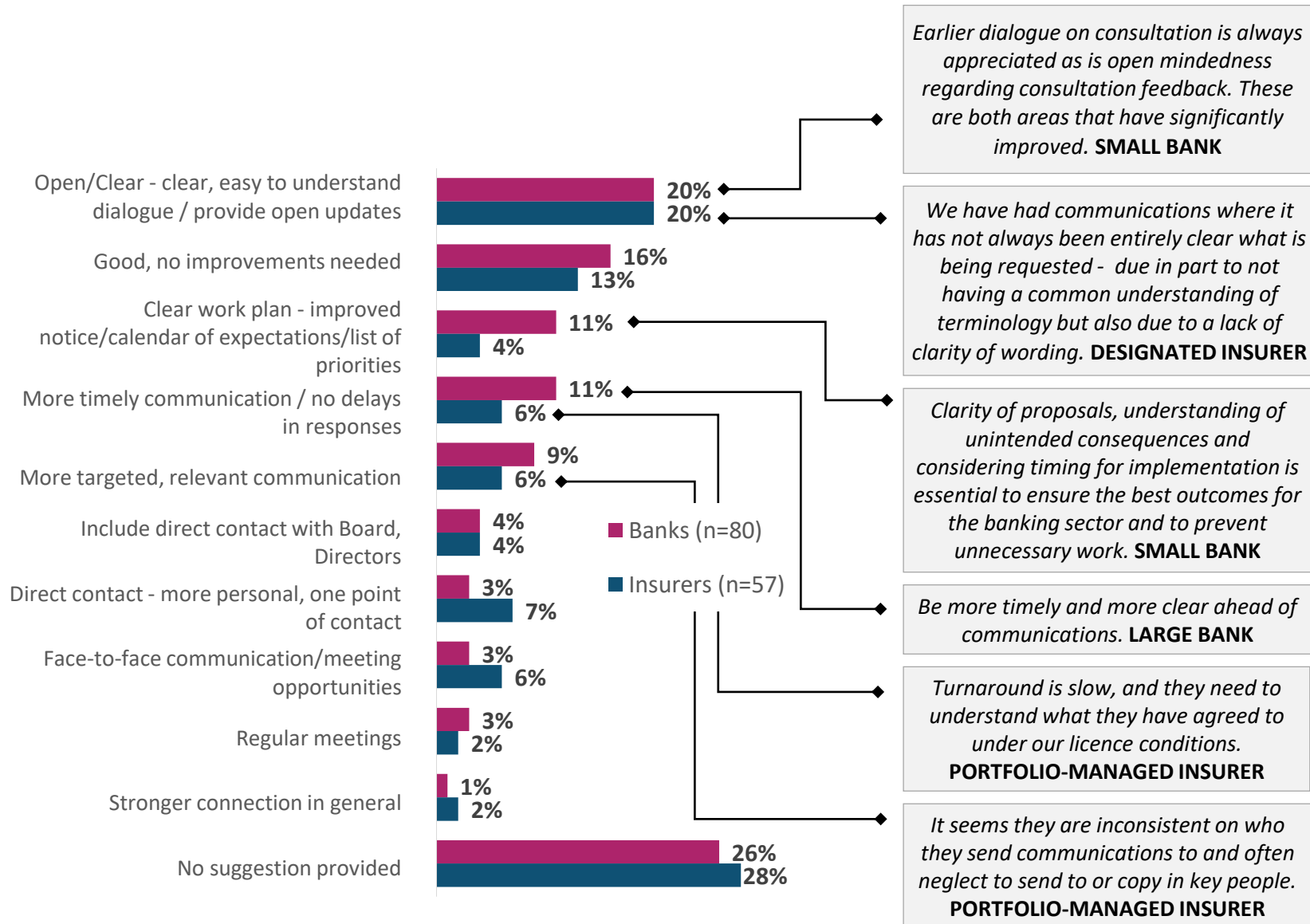
* Caution: low sample size. Results indicative only

▲▼ Statistically significant vs designated insurers to 95% confidence

Portfolio-managed insurers gave significantly lower ratings than designated insurers for **consistency** of communications (56% of portfolio-managed insurers rated this as 'good' or 'very good', as compared with 87% of designated insurers).

Indicatively, portfolio-managed insurers were also less likely to feel positively about the timeliness of communications (48%, vs. 77% for designated insurers).

Suggestions to improve communication



All participants were asked what they felt the Reserve Bank could do to improve its communication with them. Just over 1 in 4 participants did not offer any suggestions (26% of bank and 28% of insurer participants), and over 1 in 10 felt no improvements were needed to the Reserve Bank's communication (16% of bank and 13% of insurer participants).

Among those who did comment, there were a variety of suggestions made, as illustrated in the chart to the left.

The most common suggestion was to ensure communications are **clear and easy to understand** (20% of respondents across banks and insurers).

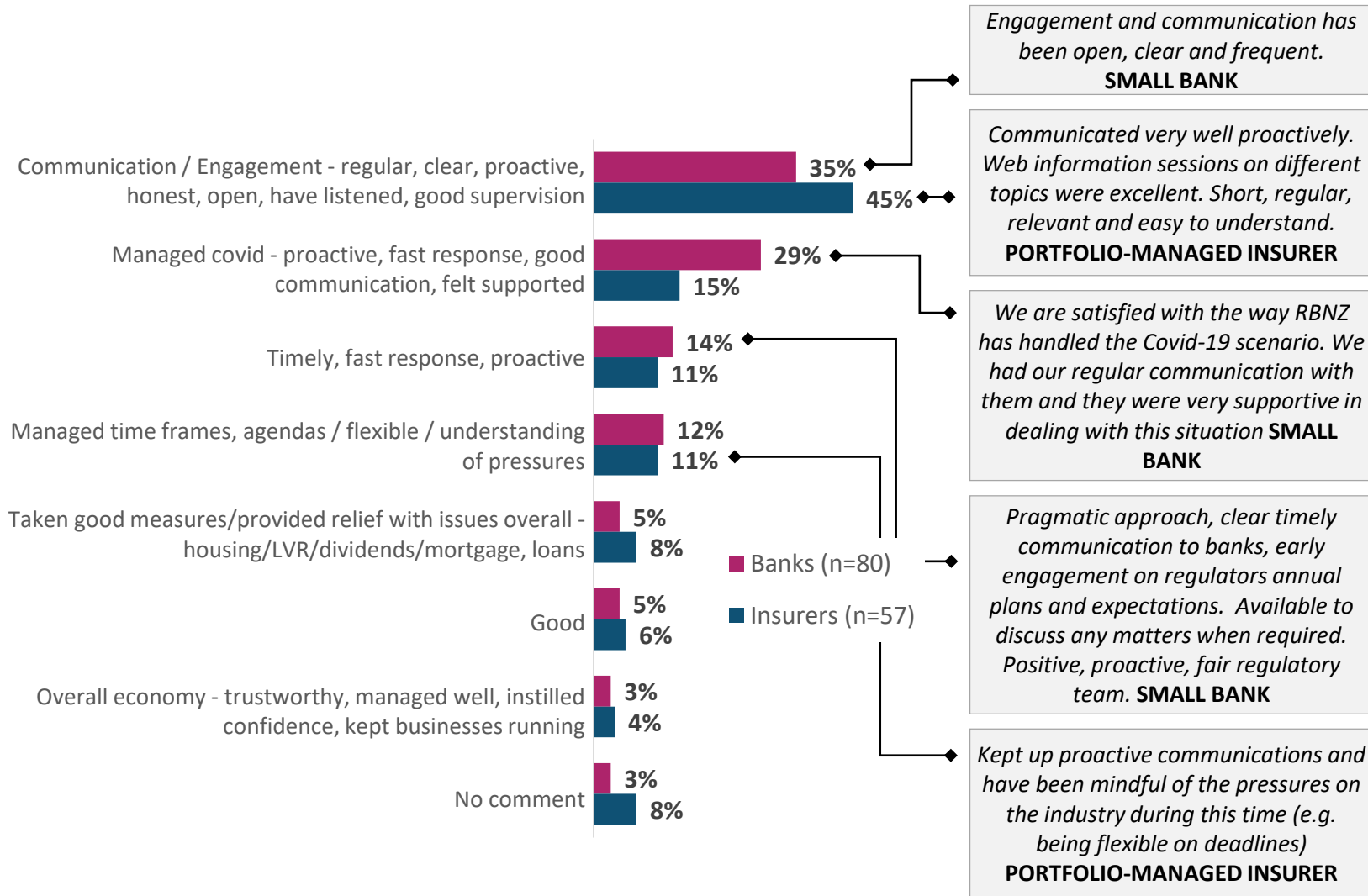
Bank participants were more likely to comment about a need for more **timely** communications than insurer participants (11% vs. 6%) and a need for **targeted and relevant** communications (9% vs. 6%), while insurer participants were more likely to suggest **more direct or personal contact**, such as having a single point of contact, than bank participants (7% vs. 3%) and to say they would value more opportunities for **in-person communication** (6% vs. 3%).



SECTION 8

RESERVE BANK PERFORMANCE OVER THE PAST 12 MONTHS

Reserve Bank performance over the past 12 months – What went well



All participants were asked what they think the Reserve Bank has done well over the past 12 months, and where they feel there is room for improvement. Participants were asked to think about the Reserve Bank’s response to the ongoing COVID-19 pandemic as part of their response, and to consider all of their contacts or engagements with the RBNZ over the past 12 months, or anything they had seen about the Reserve Bank’s activities.

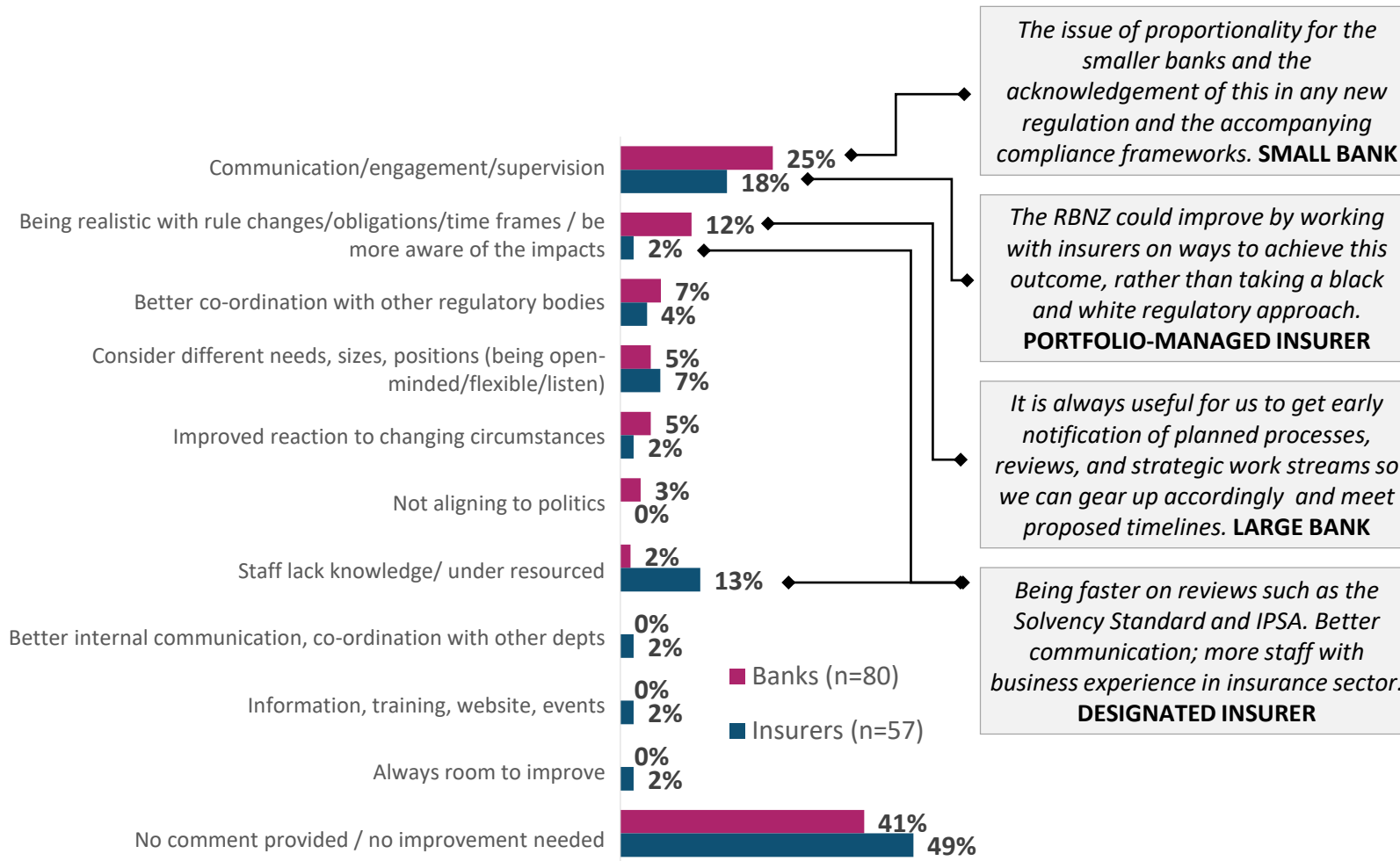
The top theme among the feedback from both bank and insurer participants relates to the Reserve Bank doing well over the last 12 months in terms of **communication and engagement** (35% of bank and 45% of insurer participants).

The next largest theme is **positive comments about the Reserve Bank’s response to covid** (29% of bank and 15% of insurer participants).

Next, 14% of bank participants and 11% of insurer participants mentioned that the Reserve Bank’s communications and responses had been **timely or proactive**.

Finally, just over 1 in 10 participants commented that they felt the Reserve Bank had been **flexible and understanding** and managed time frames well (12% of bank and 11% of insurer participants).

Reserve Bank performance over the past 12 months – Areas for improvement



The top theme arising from suggestions for areas for improvement related to general **communication, engagement or supervision issues** (25% of bank and 18% of insurer participants).

Bank participants were more likely to suggest **being realistic with rule changes, obligations or time frames** than insurer participants (12% vs 2%), while insurer participants were more likely to offer feedback around **Reserve Bank resourcing or staff knowledge levels** than bank participants (13% vs. 2%).



SECTION 9

APPENDIX

APPENDIX 1: RELATIONSHIP CHARTER

Relationship Charter.

The Reserve Bank aspires to build and maintain the best 'regulator/regulated' supervisory relationships possible, with all the different regulated entities. This Charter represents a mutual undertaking of how the parties will work together to achieve this aspiration. We will regularly measure our performance against the commitments set out in the Charter and share the lessons.

Our mutual commitments

Our behaviours will be

Honest

positions are openly stated, constructively, freely and frankly

Diligent

provide clear expectations and deliver on them

Achievement focused

work together to achieve sound and efficient outcomes

Open-minded

each other's perspective is constructively sought and understood

Professional

disagreements can happen on issues, not people

Our communication will be

Clear

easily understood, with decisions explained

Targeted

made to the right people in governance and management

Consistent

one organisation, one message, one tone

Timely

communication with no surprises

*Relationships built on mutual respect, ethical behaviour, and te hunga tiaki.
Stewardship for a healthy and efficient financial system that benefits all New Zealanders.*

APPENDIX 2: SURVEY QUESTIONS

The Reserve Bank’s Relationship Charter commits the Reserve Bank and the financial sector to a mutual understanding of appropriate conduct and culture. The Reserve Bank would value your feedback in order to understand how well you think the relationship is working and where there may be opportunities for improvement of the Reserve Bank’s services, systems, processes and communication.

Thank you for taking the time to give us your feedback.

A1. Have you engaged or made contact with the Reserve Bank through any of the following? If so, when did you last do this?

- In person with a Reserve Bank representative
- Over the phone with a Reserve Bank representative
- Over email with a Reserve Bank representative
- Visited the Reserve Bank’s website
- Attended a Reserve Bank speaking event/forum
- Read Reserve Bank news releases
- Followed the Reserve Bank’s social media channels (LinkedIn, Twitter, Instagram, YouTube)

Scale:

In the past month	In the past 6 months	In the past year	1 - 3 years ago	More than 3 years ago	I’ve never done this
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The next set of questions are about how your organisation works with the Reserve Bank and in particular relation to the Relationship Charter.

B1. Overall, how would you rate your **relationship** with the Reserve Bank?

Very poor	Poor	Neither poor nor good	Good	Very good	Don’t know
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B2. Please explain why you gave that rating?

B3. Is there anything you think the Reserve Bank needs to prioritise to **improve** your relationship with them?

C1. Thinking about your relationship with the Reserve Bank, how is the Reserve Bank delivering on each of the following aspects of the relationship charter?

- Honest** - their positions are openly stated, constructively, freely and frankly
- Achievement-focused** - they work with you to achieve sound and efficient outcomes
- Diligent** - they provide clear expectations and deliver on them
- Open-minded** - different perspectives are constructively sought and understood
- Professional** - disagreements can happen on issues, not with people

Scale:

Very poor	Poor	Neither poor nor good	Good	Very good	Don’t know
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APPENDIX 2: SURVEY QUESTIONS (CONT.)

C2. And thinking about the Reserve Bank’s **communication**, how would you rate them on each of the following?

Clear - they are easily understood, with decisions explained

Targeted - communications are made to the right people in governance and management

Consistent - one organisation, one message, one tone

Timely communication with no surprises

Scale:

Very poor	Poor	Neither poor nor good	Good	Very good	Don't know
-----------	------	-----------------------	------	-----------	------------

C3. What could the Reserve Bank do to improve its relationship with you?

C4. The qualities we listed out in the previous questions form the basis of the Reserve Bank’s Relationship Charter for effective working with banks and insurers.

Overall, how well do you think the Reserve Bank **lives up to its Relationship Charter**?

Very poorly	Poorly	Neither poorly nor well	Well	Very well	Don't know
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C5. You mentioned that you think the Reserve Bank lives up to its Relationship Charter **[RESPONSE FROM C4]**. Why do you say that?

C6. How well do you think **your organisation** follows the commitments laid out in the Relationship Charter?

Very poorly	Poorly	Neither poorly nor well	Well	Very well	Don't know
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C7. You mentioned that you think your organisation delivers against the Relationship Charter **[RESPONSE FROM C6]**. Why do you say that?

C8. Finally, we would like you to think about how well the Reserve Bank has performed over the past 12 months; this includes the response to the ongoing COVID-19 pandemic.

Please consider all your contacts or engagements with the Reserve Bank over the past 12 months, or anything you have seen about any of the Reserve Bank’s activities.

What do you think the Reserve Bank has **done well**?

C9. And where do you think there is room for the Reserve Bank to **improve**?

That’s the end of the survey - thank you for your time.



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