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## **Final Report**

### **Financial Institutions Survey (FIS) 2023-24**

Prepared for the  
Office of the Superintendent of Financial Institutions  
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Ce rapport est aussi disponible en français.

**Canada** 

# Financial Institutions Survey (FIS) 2023-24

## Final Report

**Prepared for:** the Office of the Superintendent of Financial Institutions

**Supplier Name:** The Strategic Counsel

March 2024

This public opinion research report presents the results of an online survey conducted by The Strategic Counsel on behalf of the Office of the Superintendent of Financial Institutions. The research study was conducted with 99 CEOs of federally regulated insurance companies and financial institutions between January 10<sup>th</sup> and 31<sup>st</sup>, 2024.

Cette publication est aussi disponible en français sous le titre: Sondage de 2023-2024 auprès des institutions financières (SIF)

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## Executive Summary

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The Strategic Counsel (TSC) is pleased to submit this report to the Office of the Superintendent of Financial Institutions (OSFI) detailing the findings from the 2023-24 Financial Institutions Survey (FIS).

### A. Background and Objectives

OSFI is the primary regulator and supervisor of federally regulated financial institutions and federally administered pension plans in Canada. To assist OSFI in assessing how well it is achieving its mandate, since 2008 OSFI has been undertaking a high-level, biennial survey targeted at CEOs in all federally regulated financial institutions, including banks and other deposit-taking institutions (DTIs), as well as life and property and casualty insurance companies. The survey provides OSFI with an assessment of its performance and insights into the key drivers of satisfaction.

The results of the survey provide valuable guidance to OSFI on its overall performance and in specific areas of its mandate, identifying areas of strength for OSFI – where it's viewed as performing well – as well as opportunities for improvements with respect to recommendations, activities, communications and processes.

### B. Methodology

The survey, which was conducted in both official languages, was made available to all eligible respondents through a link embedded in a bilingual e-mail invitation which was sent by TSC. The list of CEO-level contacts for 236 federally regulated financial institutions was provided by OSFI.

A total of 99 completed surveys (n=60 insurance companies; n=39 DTIs) were received during the period in which the survey was in field, from January 10<sup>th</sup> to 31<sup>st</sup>, 2024, representing an overall response rate of 42%. Since the entire population or universe of the target audience was invited to participate in this survey, no margin of sampling error has been estimated or reported.

### C. Key Findings

***Following an increase in satisfaction in the previous wave (2021), overall satisfaction with OSFI has dropped back to levels previously seen in 2018.***

- Overall, satisfaction levels remain positive with over eight-in-ten (85%) who provide a rating of 'very satisfied' (43%) or 'somewhat satisfied' (42%).
- Satisfaction levels among DTIs and insurance companies do not vary significantly although, a much larger proportion of DTIs offer a rating of 'very satisfied' when compared to insurance companies.
- Cyber risk and IT security continue to be a top priority for DTIs. Insurance companies are equally likely to cite this issue as well as environmental risks/natural disasters as risk areas they feel should be a priority for OSFI in the next few years. Interestingly, mentions of regulatory burden and the regulatory environment by insurance companies increased significantly this wave.

***As was the case in 2018 and 2021, results pertaining to OSFI's guidance continue to be mixed. The trend lines show that some measures have improved or remained stable, while others have declined.***

- OSFI's rating on responding in a timely manner to market developments and industry suggestions that guidance needs updating has improved slightly since the previous wave with seven-in-ten (71%) who now say OSFI is 'very good' or 'good,' a level similar to that seen in 2018.

- While OSFI is viewed as effective in providing a clear indication of its expectations, ratings have dropped significantly and are much lower for:
  - Developing guidance that strikes an appropriate balance between prudential considerations and the need for institutions to compete (declined 19 points from 2021);
  - Consulting with the financial services industry when developing guidance (declined 17 points from 2021); and
  - The extent to which it considers the nature, size and complexity of financial institutions (declined 15 points from 2018).
- Additionally, ratings of OSFI on communicating its response to industry feedback during consultations has dropped off since the previous wave in 2021 (although not significantly).
- In general, results for insurance companies are lower on most of the guidance metrics, compared to DTIs. Moreover, the gap between the two groups has widened considerably in some areas, most notably on:
  - Developing guidance that strikes an appropriate balance between prudential considerations and the need for institutions to compete (a 40-point gap between DTIs and insurance companies);
  - Consulting with the financial services industry when developing guidance (a 33-point gap); and
  - Communicating its response, including rationale, to feedback provided by your industry sector during consultations related to guidance development (a 39-point gap).

***Overall satisfaction with OSFI in processing regulatory approval applications has declined significantly since 2021.***

- As with other results insurance companies expressed lower levels of satisfaction relative to DTIs. Notably, the proportion of insurance companies providing the top rating of ‘very satisfied’ has been declining since 2018.
- While most stakeholders understand the basis on which OSFI makes decisions about their application, insurance companies are much more likely to indicate this is the case relative to DTIs (a 19-point spread between the two groups).

***OSFI received high ratings for its effectiveness in supervising institutions from both DTIs and insurance companies.***

- Ratings have, however, fallen back in the two specific areas of supervision which were assessed – providing an opportunity for the institution to discuss issues of concern, and the extent to which OSFI’s supervisory activities are scaled to reflect the nature, size, complexity and risk profile of the institution.

***Stakeholders remain highly satisfied with OSFI’s capacity to interact in the official language of their choice.***

- Satisfaction on this metric has been virtually unanimous among both DTIs and insurance companies over the past two waves and there is little change in 2024 from the previous wave.

***In open ended comments provided by DTIs and insurance companies at the conclusion of the survey, a number of issues were raised.***

- For insurance companies, comments were predominantly focused on reducing the pace of new and updated guidelines and providing companies with more time to respond. This was also an issue for DTIs but to a somewhat lesser extent. DTIs focused equally on streamlining various initiatives and giving consideration to size and resource constraints.

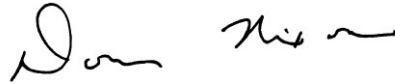
MORE INFORMATION

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To obtain more information on this study, please e-mail [information@osfi-bsif.gc.ca](mailto:information@osfi-bsif.gc.ca)

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Signed: \_\_\_\_\_

Donna Nixon, Partner