

Interest Rate Risk Measures

Office of Thrift Supervision

Risk Modeling and Analysis Division

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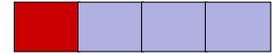
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The attached tables present the final industry statistics for several measures of interest rate risk (IRR): the Pre-Shock Net Portfolio Value (NPV) Ratio, the Interest Rate Sensitivity Measure, the Post-Shock NPV Ratio, and the Change in NPV Ratio. These measures are defined in footnotes found in the tables. These tables can be used to assess an institution's level of IRR relative to the industry and its respective mutual or stock peer group.

For example, an institution can find its approximate Pre-Shock NPV Ratio ranking by referring to TABLE 1 on the following page. Assume XYZ Savings has a Pre-Shock NPV Ratio of 18%. In the last column of the table, locate the first value that is larger than XYZ's Pre-Shock NPV Ratio. For XYZ Savings, this corresponds to the tenth row of the table.

The first column of the tenth row present XYZ's overall Pre-Shock ranking: XYZ's Pre-Shock NPV Ratio places this institution in the fifth quintile of the industry. The second column shows an institution's rank with greater precision. XYZ's Pre-Shock NPV Ratio is better than approximately 85 percent of the industry for the current quarter.

The Preliminary Interest Rate Risk Measures report for the June, 2010 cycle will be available on the OTS Web page at <http://www.ots.treas.gov/StatisticalReleases> by August 24, 2010.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 3/31/2010

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	9.89
		15	10.48
		20	11.03
	2nd	30	11.79
		40	12.59
	3rd	50	13.41
		60	14.63
	4th	70	16.23
		80	18.32
	5th	85	19.59
	90	21.80	

* The Pre-Shock NPV Ratio is defined as the base-case (pre-shock) NPV divided by the present value of assets in the base-case.

TABLE 2: Interest Rate Sensitivity Measure* as of 3/31/2010

	Quintile	Percent of Industry	*Sensitivity Measure
WORST ↑ ↓ BEST	1st	10	331
		15	289
		20	250
	2nd	30	187
		40	148
	3rd	50	106
		60	80
	4th	70	58
		80	41
	5th	85	32
	90	23	

* The Interest Rate Sensitivity Measure is defined as the decline (in basis points) in the NPV ratio caused by a +200 bp increase or -100 bp decrease in rates, whichever produces the larger decline.

TABLE 3: Post-Shock NPV Ratio* as of 3/31/2010

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	8.59
		15	9.09
		20	9.58
	2nd	30	10.48
		40	11.23
	3rd	50	12.06
		60	13.11
	4th	70	14.52
		80	16.84
	5th	85	17.73
	90	20.04	

* The Post-Shock NPV Ratio is defined as the Net Portfolio Value (NPV) ratio after a +200 bp increase or -100 bp decrease in rates, whichever produces the smaller ratio.

TABLE 4: NPV Ratio* by Interest Rate Scenario as of 3/31/2010

	Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	9.78	8.72
		15	10.38	9.38
		20	10.98	9.85
	2nd	30	11.80	10.70
		40	12.68	11.61
	3rd	50	13.55	12.41
		60	14.58	13.37
	4th	70	16.38	14.97
		80	18.60	16.98
	5th	85	19.97	18.00
	90	22.05	20.12	

* The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario.

TABLE 5: Change in NPV Ratio* by Interest Rate as of 3/31/2010

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	-58	-329
		15	-43	-286
		20	-31	-246
	2nd	30	-15	-185
		40	0	-141
	3rd	50	13	-98
		60	24	-62
	4th	70	38	-24
		80	57	20
	5th	85	69	37
	90	84	65	

* The Change in NPV ratio is defined as the change (in basis points) in the NPV ratio caused by an interest rate shock of either -100 bp or +200 bp.

Note: The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario. An institution's NPV is equal to the estimated present value of assets minus the present value of liabilities plus the net present value of off-balance sheet contracts. These results are based on 717 OTS-regulated institutions for which the Mar 2010 Interest Rate Risk Exposure Reports are available.

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TABLE 6: Pre-Shock NPV Ratio* as of 3/31/2010

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	10.98
	15	11.66
	20	12.01
2nd	30	13.25
	40	14.41
3rd	50	15.37
	60	16.91
4th	70	18.16
	80	20.30
5th	85	21.09
	90	24.74

* The Pre-Shock NPV Ratio is defined as the base-case (pre-shock) NPV divided by the present value of assets in the base-case.

TABLE 7: Interest Rate Sensitivity Measure* as of 3/31/2010

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	392
	15	357
	20	328
2nd	30	263
	40	209
3rd	50	163
	60	127
4th	70	90
	80	62
5th	85	50
	90	32

* The Interest Rate Sensitivity Measure is defined as the decline (in basis points) in the NPV ratio caused by a +200 bp increase or -100 bp decrease in rates, whichever produces the larger decline.

TABLE 8: Post-Shock NPV Ratio* as of 3/31/2010

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.91
	15	9.74
	20	10.33
2nd	30	11.47
	40	12.41
3rd	50	13.51
	60	14.83
4th	70	16.21
	80	18.07
5th	85	19.33
	90	22.04

* The Post-Shock NPV Ratio is defined as the Net Portfolio Value (NPV) ratio after a +200 bp increase or -100 bp decrease in rates, whichever produces the smaller ratio.

TABLE 9: NPV Ratio* by Interest Rate Scenario as of 3/31/2010

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	10.97	8.91
	15	11.60	9.77
	20	12.23	10.33
2nd	30	13.47	11.51
	40	14.37	12.60
3rd	50	15.53	13.52
	60	17.25	15.14
4th	70	18.35	16.56
	80	20.71	18.23
5th	85	21.79	19.52
	90	24.90	22.04

* The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario.

TABLE 10: Change in NPV Ratio* by Interest Rate as of 3/31/2010

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-47	-389
	15	-30	-356
	20	-21	-328
2nd	30	1	-262
	40	15	-207
3rd	50	29	-163
	60	39	-127
4th	70	56	-83
	80	76	-28
5th	85	90	-5
	90	107	22

* The Change in NPV ratio is defined as the change (in basis points) in the NPV ratio caused by an interest rate shock of either -100 bp or +200 bp.

Note: The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario. An institution's NPV is equal to the estimated present value of assets minus the present value of liabilities plus the net present value of off-balance sheet contracts. These results are based on 278 OTS-regulated institutions for which the Mar 2010 Interest Rate Risk Exposure Reports are available.

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TABLE 11: Pre-Shock NPV Ratio* as of 3/31/2010

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	9.40
	15	10.21
	20	10.52
2nd	30	11.22
	40	11.88
3rd	50	12.59
	60	13.23
4th	70	14.33
	80	16.39
5th	85	17.97
	90	19.33

* The Pre-Shock NPV Ratio is defined as the base-case (pre-shock) NPV divided by the present value of assets in the base-case.

TABLE 12: Interest Rate Sensitivity Measure* as of 3/31/2010

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	255
	15	225
	20	195
2nd	30	147
	40	106
3rd	50	82
	60	62
4th	70	46
	80	34
5th	85	26
	90	18

* The Interest Rate Sensitivity Measure is defined as the decline (in basis points) in the NPV ratio caused by a +200 bp increase or -100 bp decrease in rates, whichever produces the larger decline.

TABLE 13: Post-Shock NPV Ratio* as of 3/31/2010

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.19
	15	8.84
	20	9.41
2nd	30	10.03
	40	10.81
3rd	50	11.51
	60	12.26
4th	70	13.30
	80	15.19
5th	85	16.77
	90	18.34

* The Post-Shock NPV Ratio is defined as the Net Portfolio Value (NPV) ratio after a +200 bp increase or -100 bp decrease in rates, whichever produces the smaller ratio.

TABLE 14: NPV Ratio* by Interest Rate Scenario as of 3/31/2010

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	9.23	8.63
	15	10.03	9.17
	20	10.38	9.63
2nd	30	11.24	10.44
	40	11.82	11.09
3rd	50	12.64	11.77
	60	13.45	12.56
4th	70	14.31	13.59
	80	16.40	15.75
5th	85	18.10	16.98
	90	19.85	18.80

* The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario.

TABLE 15: Change in NPV Ratio* by Interest Rate as of 3/31/2010

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-62	-254
	15	-51	-224
	20	-40	-187
2nd	30	-21	-135
	40	-10	-97
3rd	50	5	-64
	60	15	-35
4th	70	29	3
	80	44	36
5th	85	57	60
	90	67	85

* The Change in NPV ratio is defined as the change (in basis points) in the NPV ratio caused by an interest rate shock of either -100 bp or +200 bp.

Note: The NPV ratio for any interest rate scenario is defined as the NPV in that rate scenario divided by the present value of assets in the same rate scenario. An institution's NPV is equal to the estimated present value of assets minus the present value of liabilities plus the net present value of off-balance sheet contracts. These results are based on 439 OTS-regulated institutions for which the Mar 2010 Interest Rate Risk Exposure Reports are available.

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