

Interest Rate Risk Measures

Office of Thrift Supervision

Risk Modeling and Analysis Division

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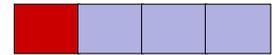
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The attached tables present the final industry statistics for several measures of interest rate risk (IRR): the Pre-Shock Net Portfolio Value (NPV) Ratio, the Interest Rate Sensitivity Measure, the Post-Shock NPV Ratio, and the Change in NPV Ratio. 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, 2011 cycle will be available on the OTS Web page at <http://www.ots.treas.gov/StatisticalReleases> by August 26, 2011.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 3/31/2011

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	10.11
	15	10.70
	20	11.18
2nd	30	12.07
	40	12.92
3rd	50	13.76
	60	14.74
4th	70	16.16
	80	18.13
5th	85	19.84
	90	21.89

* 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 3/31/2011

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	319
	15	277
	20	241
2nd	30	187
	40	141
3rd	50	110
	60	76
4th	70	56
	80	37
5th	85	25
	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 3: Post-Shock NPV Ratio* as of 3/31/2011

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.52
	15	9.40
	20	9.86
2nd	30	10.72
	40	11.61
3rd	50	12.42
	60	13.33
4th	70	14.67
	80	16.58
5th	85	18.04
	90	19.96

* 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 3/31/2011

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	10.22	8.69
	15	10.75	9.54
	20	11.28	10.10
2nd	30	12.15	11.01
	40	12.96	11.94
3rd	50	13.97	12.79
	60	14.97	13.70
4th	70	16.32	15.20
	80	18.78	16.82
5th	85	20.27	18.39
	90	22.25	20.00

* 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 3/31/2011

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-55	-318
	15	-40	-272
	20	-23	-239
2nd	30	-8	-183
	40	7	-136
3rd	50	19	-97
	60	31	-61
4th	70	46	-21
	80	70	13
5th	85	80	40
	90	96	71

* 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 680 OTS-regulated institutions for which the Mar 2011 Interest Rate Risk Exposure Reports are available.

Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 7/5/2011.

TABLE 6: Pre-Shock NPV Ratio* as of 3/31/2011

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	11.16
	15	11.71
	20	12.10
2nd	30	13.37
	40	14.06
3rd	50	15.01
	60	16.38
4th	70	18.61
	80	20.47
5th	85	21.81
	90	23.82

* 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 3/31/2011

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	384
	15	349
	20	306
2nd	30	246
	40	197
3rd	50	154
	60	120
4th	70	82
	80	53
5th	85	35
	90	19

* 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 3/31/2011

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	9.58
	15	10.32
	20	10.51
2nd	30	11.18
	40	12.47
3rd	50	13.49
	60	14.68
4th	70	16.42
	80	18.46
5th	85	19.29
	90	21.53

* 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 3/31/2011

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	11.19	9.62
	15	11.72	10.32
	20	12.23	10.55
2nd	30	13.51	11.32
	40	14.58	12.63
3rd	50	15.29	13.70
	60	16.62	15.27
4th	70	19.13	16.52
	80	21.12	18.65
5th	85	22.10	19.72
	90	24.41	22.64

* 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 3/31/2011

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-39	-381
	15	-21	-335
	20	-11	-304
2nd	30	1	-245
	40	14	-197
3rd	50	24	-153
	60	36	-118
4th	70	58	-74
	80	81	-19
5th	85	95	-2
	90	107	18

* 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 260 OTS-regulated institutions for which the Mar 2011 Interest Rate Risk Exposure Reports are available.

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TABLE 11: Pre-Shock NPV Ratio* as of 3/31/2011

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	9.75
	15	10.23
	20	10.76
2nd	30	11.52
	40	12.29
3rd	50	13.00
	60	13.87
4th	70	14.86
	80	16.58
5th	85	17.73
	90	20.03

* 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 3/31/2011

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	268
	15	233
	20	198
2nd	30	153
	40	116
3rd	50	83
	60	63
4th	70	48
	80	31
5th	85	22
	90	17

* 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 3/31/2011

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	7.84
	15	8.93
	20	9.47
2nd	30	10.28
	40	11.31
3rd	50	12.07
	60	12.75
4th	70	13.75
	80	15.24
5th	85	16.51
	90	18.75

* 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 3/31/2011

Quintile	Percent of Industry	*NPV Ratio	
		-100 bp	+200 bp
1st	10	9.61	7.96
	15	10.31	9.05
	20	10.89	9.68
2nd	30	11.67	10.82
	40	12.35	11.60
3rd	50	13.02	12.42
	60	14.01	13.22
4th	70	15.11	14.22
	80	16.75	15.79
5th	85	18.06	16.98
	90	20.33	19.17

* 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 3/31/2011

Quintile	Percent of Industry	*Change in NPV Ratio	
		-100 bp	+200 bp
1st	10	-59	-266
	15	-45	-228
	20	-35	-195
2nd	30	-15	-146
	40	-1	-102
3rd	50	15	-70
	60	28	-33
4th	70	41	-1
	80	61	39
5th	85	73	66
	90	83	98

* 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 420 OTS-regulated institutions for which the Mar 2011 Interest Rate Risk Exposure Reports are available.

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