

Interest Rate Risk Measures

Office of Thrift Supervision

Risk Modeling and Analysis Division

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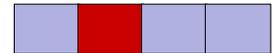
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The attached tables present the final industry statistics for several measures of interest rate risk (IRR): the Pre-Shock Net Portfolio Value (NPV) Ratio, the Interest Rate Sensitivity Measure, the Post-Shock NPV Ratio, and the Change in NPV Ratio. 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 September, 2010 cycle will be available on the OTS Web page at <http://www.ots.treas.gov/StatisticalReleases> by November 23, 2010.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 6/30/2010

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	9.88
	15	10.44
	20	11.05
2nd	30	11.90
	40	12.69
3rd	50	13.65
	60	14.66
4th	70	16.30
	80	18.71
5th	85	19.97
	90	22.17

WORST
 ↑
 ↓
 BEST

TABLE 2: Interest Rate Sensitivity Measure* as of 6/30/2010

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	239
	15	209
	20	171
2nd	30	128
	40	101
3rd	50	80
	60	64
4th	70	49
	80	34
5th	85	30
	90	21

WORST
 ↑
 ↓
 BEST

TABLE 3: Post-Shock NPV Ratio* as of 6/30/2010

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.99
	15	9.73
	20	10.18
2nd	30	10.91
	40	11.77
3rd	50	12.58
	60	13.67
4th	70	15.11
	80	17.43
5th	85	18.48
	90	20.47

WORST
 ↑
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 BEST

* 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.

* 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.

* 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 6/30/2010

Quintile	Percent of Industry	*NPV Ratio	
		-100 bp	+200 bp
1st	10	9.59	9.56
	15	10.27	10.10
	20	10.82	10.52
2nd	30	11.73	11.42
	40	12.58	12.26
3rd	50	13.57	13.01
	60	14.53	14.20
4th	70	16.15	15.77
	80	18.71	17.58
5th	85	20.05	18.69
	90	22.32	20.89

WORST
 ↑
 ↓
 BEST

* 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 6/30/2010

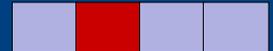
Quintile	Percent of Industry	*Change in NPV Ratio	
		-100 bp	+200 bp
1st	10	-77	-235
	15	-62	-199
	20	-51	-167
2nd	30	-34	-121
	40	-22	-85
3rd	50	-10	-50
	60	1	-19
4th	70	13	11
	80	27	43
5th	85	39	67
	90	52	99

WORST
 ↑
 ↓
 BEST

* 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 708 OTS-regulated institutions for which the Jun 2010 Interest Rate Risk Exposure Reports are available.

Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 9/22/2010.



Interest Rate Risk Measures - Mutuals

TABLE 6: Pre-Shock NPV Ratio* as of 6/30/2010

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	11.11
		15	11.65
		20	12.16
	2nd	30	13.32
		40	14.32
	3rd	50	15.58
		60	17.18
	4th	70	18.80
		80	20.56
	5th	85	21.67
90		24.96	

* 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 6/30/2010

	Quintile	Percent of Industry	*Sensitivity Measure
WORST ↑ ↓ BEST	1st	10	297
		15	252
		20	227
	2nd	30	169
		40	142
	3rd	50	105
		60	80
	4th	70	61
		80	46
	5th	85	38
90		28	

* 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 6/30/2010

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	10.13
		15	10.59
		20	10.98
	2nd	30	12.15
		40	13.06
	3rd	50	14.40
		60	15.48
	4th	70	17.16
		80	18.69
	5th	85	20.17
90		22.79	

* 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 6/30/2010

	Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	10.67	10.27
		15	11.33	10.74
		20	12.29	11.31
	2nd	30	13.32	12.50
		40	14.26	13.39
	3rd	50	15.47	14.82
		60	16.94	16.12
	4th	70	18.62	17.43
		80	20.72	19.27
	5th	85	22.14	20.37
90		25.14	22.79	

* 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 6/30/2010

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	-63	-297
		15	-48	-251
		20	-40	-224
	2nd	30	-24	-169
		40	-13	-140
	3rd	50	-3	-93
		60	8	-55
	4th	70	20	-26
		80	40	13
	5th	85	50	33
90		61	52	

* 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 276 OTS-regulated institutions for which the Jun 2010 Interest Rate Risk Exposure Reports are available.

Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 9/22/2010.

Interest Rate Risk Measures - Stock

TABLE 11: Pre-Shock NPV Ratio* as of 6/30/2010

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	9.31
	15	10.11
	20	10.44
2nd	30	11.36
	40	12.10
3rd	50	12.67
	60	13.61
4th	70	14.59
	80	16.40
5th	85	18.12
	90	20.07

* 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 6/30/2010

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	197
	15	167
	20	140
2nd	30	106
	40	83
3rd	50	71
	60	57
4th	70	43
	80	32
5th	85	27
	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 13: Post-Shock NPV Ratio* as of 6/30/2010

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.59
	15	9.16
	20	9.77
2nd	30	10.45
	40	11.14
3rd	50	11.97
	60	12.60
4th	70	13.69
	80	15.50
5th	85	17.14
	90	18.94

* 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 6/30/2010

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	9.00	9.25
	15	9.69	9.80
	20	10.27	10.18
2nd	30	11.10	10.93
	40	11.87	11.91
3rd	50	12.56	12.42
	60	13.53	13.15
4th	70	14.43	14.30
	80	16.22	16.31
5th	85	18.36	17.52
	90	20.01	19.28

* 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 6/30/2010

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-81	-183
	15	-69	-153
	20	-57	-124
2nd	30	-42	-95
	40	-30	-60
3rd	50	-16	-27
	60	-3	-1
4th	70	9	27
	80	21	66
5th	85	30	87
	90	44	112

* 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 432 OTS-regulated institutions for which the Jun 2010 Interest Rate Risk Exposure Reports are available.

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