

Interest Rate Risk Measures

Office of the Comptroller of the Currency

Credit and Market Risk Policy

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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.

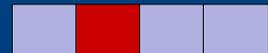
The first column of the tenth row present XYZ's overall Pre-Shock ranking: XYZ's Pre-Shock NPV Ratio places this institution in the fifth quintile of the industry. The second column shows an institution's rank with greater precision. XYZ's Pre-Shock NPV Ratio is better than approximately 85 percent of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

Credit and Market Risk Policy

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The Preliminary Interest Rate Risk Measures report for the September, 2011 cycle will be available on the OTS Web page at <http://www.ots.treas.gov/StatisticalReleases> by December 26, 2011.



Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 6/30/2011

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	10.21
		15	10.80
		20	11.39
	2nd	30	12.29
		40	13.06
	3rd	50	13.96
		60	15.03
	4th	70	16.39
		80	18.65
	5th	85	20.10
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 6/30/2011

	Quintile	Percent of Industry	*Sensitivity Measure
WORST ↑ ↓ BEST	1st	10	288
		15	237
		20	205
	2nd	30	154
		40	115
	3rd	50	84
		60	63
	4th	70	45
		80	27
	5th	85	20
90		12	

* 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 6/30/2011

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	9.19
		15	9.79
		20	10.25
	2nd	30	11.15
		40	11.88
	3rd	50	12.94
		60	13.88
	4th	70	15.03
		80	17.02
	5th	85	18.48
90		20.71	

* 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 6/30/2011

	Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	10.11	9.42
		15	10.78	10.08
		20	11.37	10.59
	2nd	30	12.25	11.55
		40	13.10	12.29
	3rd	50	14.04	13.25
		60	15.08	14.18
	4th	70	16.58	15.53
		80	18.80	17.32
	5th	85	20.09	18.93
90		22.24	21.10	

* 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.

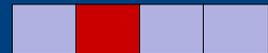
TABLE 5: Change in NPV Ratio* by Interest Rate as of 6/30/2011

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	-59	-285
		15	-44	-235
		20	-29	-200
	2nd	30	-15	-151
		40	-2	-109
	3rd	50	8	-70
		60	19	-36
	4th	70	35	3
		80	52	38
	5th	85	65	61
90		80	86	

* 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 664 OCC-regulated institutions for which the Jun 2011 Interest Rate Risk Exposure Reports are available.

Prepared by the Credit and Market Risk Policy Division, OCC, Washington, D.C., 9/28/2011.



Interest Rate Risk Measures - Mutuals

TABLE 6: Pre-Shock NPV Ratio* as of 6/30/2011

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	11.45
	15	11.99
	20	12.55
2nd	30	13.51
	40	14.28
3rd	50	15.35
	60	16.78
4th	70	18.92
	80	20.97
5th	85	21.85
	90	24.37

WORST
 ↑
 ↓
 BEST

TABLE 7: Interest Rate Sensitivity Measure* as of 6/30/2011

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	334
	15	291
	20	253
2nd	30	198
	40	151
3rd	50	112
	60	84
4th	70	64
	80	41
5th	85	29
	90	19

WORST
 ↑
 ↓
 BEST

TABLE 8: Post-Shock NPV Ratio* as of 6/30/2011

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	10.29
	15	10.80
	20	11.12
2nd	30	11.78
	40	13.16
3rd	50	13.95
	60	15.16
4th	70	17.26
	80	19.08
5th	85	20.31
	90	22.82

WORST
 ↑
 ↓
 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 9: NPV Ratio* by Interest Rate Scenario as of 6/30/2011

Quintile	Percent of Industry	*NPV Ratio	
		-100 bp Less Than:	+200 bp Less Than:
1st	10	11.36	10.29
	15	11.89	11.01
	20	12.39	11.36
2nd	30	13.62	11.93
	40	14.49	13.25
3rd	50	15.39	14.17
	60	16.86	15.53
4th	70	19.34	17.42
	80	21.25	19.21
5th	85	22.24	20.57
	90	25.18	23.18

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 10: Change in NPV Ratio* by Interest Rate as of 6/30/2011

Quintile	Percent of Industry	*Change in NPV Ratio	
		-100 bp Less Than:	+200 bp Less Than:
1st	10	-55	-332
	15	-29	-289
	20	-20	-250
2nd	30	-7	-195
	40	2	-148
3rd	50	11	-112
	60	21	-76
4th	70	41	-37
	80	59	7
5th	85	71	27
	90	82	57

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 261 OCC-regulated institutions for which the Jun 2011 Interest Rate Risk Exposure Reports are available.

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Interest Rate Risk Measures - Stock

TABLE 11: Pre-Shock NPV Ratio* as of 6/30/2011

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
1st	10	9.76
	15	10.24
	20	10.70
2nd	30	11.69
	40	12.38
3rd	50	13.08
	60	14.12
4th	70	15.08
	80	16.84
5th	85	17.65
	90	19.34

* 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 6/30/2011

Quintile	Percent of Industry	*Sensitivity Measure
1st	10	239
	15	204
	20	186
2nd	30	128
	40	92
3rd	50	68
	60	54
4th	70	38
	80	23
5th	85	17
	90	10

* 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 6/30/2011

Quintile	Percent of Industry	*Post-Shock NPV Ratio
1st	10	8.61
	15	9.33
	20	9.79
2nd	30	10.52
	40	11.47
3rd	50	12.20
	60	13.07
4th	70	14.16
	80	15.52
5th	85	16.68
	90	18.48

* 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 6/30/2011

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
1st	10	9.63	9.03
	15	10.17	9.81
	20	10.78	10.22
2nd	30	11.70	11.09
	40	12.41	11.89
3rd	50	13.18	12.66
	60	14.08	13.59
4th	70	15.19	14.68
	80	17.03	16.04
5th	85	18.02	16.97
	90	19.52	19.03

* 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 6/30/2011

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
1st	10	-62	-228
	15	-50	-198
	20	-35	-180
2nd	30	-19	-119
	40	-3	-80
3rd	50	5	-45
	60	17	-12
4th	70	29	21
	80	48	55
5th	85	62	78
	90	78	100

* 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 403 OCC-regulated institutions for which the Jun 2011 Interest Rate Risk Exposure Reports are available.

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