THRIFT INDUSTRY

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 December, 2011 cycle will be available on the OTS Web page at http://www.ots.treas.gov/StatisticalReleases by February 28, 2012.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 9/30/2011

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	9.30
		15	10.11
		20	10.74
	2nd	30	11.78
		40	12.61
	3rd	50	13.48
		60	14.60
	4th	70	16.09
		80	18.32
BEST	5th	85	19.96
		90	22.18

* 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 9/30/2011

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	157
		15	129
		20	114
	2nd	30	90
		40	67
	3rd	50	57
		60	48
	4th	70	38
		80	28
BEST	5th	85	24
		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 3: Post-Shock NPV Ratio* as of 9/30/2011

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	8.48
		15	9.45
		20	10.09
	2nd	30	11.11
		40	12.00
	3rd	50	12.78
		60	14.00
	4th	70	15.10
		80	17.46
BEST	5th	85	19.03
		90	20.95

* 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 9/30/2011

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	8.68	9.53
		15	9.79	10.40
		20	10.37	10.99
	2nd	30	11.38	11.91
		40	12.32	12.80
	3rd	50	13.27	13.52
		60	14.36	14.63
	4th	70	16.01	15.90
		80	18.18	17.92
BEST	5th	85	19.77	19.45
		90	21.93	20.96

* 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 9/30/2011

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-86	-148
		15	-69	-119
		20	-59	-93
	2nd	30	-47	-54
		40	-35	-28
	3rd	50	-25	0
		60	-11	27
	4th	70	-1	58
		80	14	89
BEST	5th	85	26	108
		90	40	132

* 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 494 OCC-regulated institutions for which the Sep 2011 Interest Rate Risk Exposure Reports are available.
Prepared by the Credit and Market Risk Policy Division, OCC, Washington, D.C., 1/4/2012.

Interest Rate Risk Measures - Mutuals

TABLE 6: Pre-Shock NPV Ratio* as of 9/30/2011

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	10.74
		15	11.32
		20	11.83
	2nd	30	13.06
		40	13.89
	3rd	50	14.90
		60	16.17
	4th	70	19.02
		80	20.54
BEST	5th	85	22.29
		90	24.57

* 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 9/30/2011

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	164
		15	143
		20	125
	2nd	30	97
		40	74
	3rd	50	60
		60	49
	4th	70	42
		80	28
BEST	5th	85	24
		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 8: Post-Shock NPV Ratio* as of 9/30/2011

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	10.12
		15	10.80
		20	11.32
	2nd	30	12.27
		40	13.05
	3rd	50	14.20
		60	15.39
	4th	70	17.88
		80	19.59
BEST	5th	85	20.95
		90	23.22

* 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 9/30/2011

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	10.35	10.99
		15	10.95	11.62
		20	11.48	11.88
	2nd	30	12.66	12.83
		40	13.80	13.75
	3rd	50	14.72	14.77
		60	16.17	16.28
	4th	70	18.73	18.36
		80	20.58	20.11
BEST	5th	85	22.18	20.95
		90	24.60	23.52

* 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 9/30/2011

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-83	-159
		15	-66	-136
		20	-57	-103
	2nd	30	-43	-64
		40	-30	-45
	3rd	50	-21	-14
		60	-9	16
	4th	70	-2	47
		80	18	70
BEST	5th	85	34	89
		90	42	121

* 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 208 OCC-regulated institutions for which the Sep 2011 Interest Rate Risk Exposure Reports are available.
Prepared by the Credit and Market Risk Policy Division, OCC, Washington, D.C., 1/4/2012.

Interest Rate Risk Measures - Stock

TABLE 11: Pre-Shock NPV Ratio* as of 9/30/2011

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	8.68
		15	9.48
		20	10.01
	2nd	30	11.10
		40	11.89
	3rd	50	12.67
		60	13.47
	4th	70	14.60
		80	16.45
BEST	5th	85	17.09
		90	18.98

* 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 9/30/2011

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	153
		15	122
		20	107
	2nd	30	85
		40	65
	3rd	50	54
		60	47
	4th	70	37
		80	28
BEST	5th	85	24
		90	15

* 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 9/30/2011

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	7.92
		15	8.62
		20	9.30
	2nd	30	10.37
		40	11.20
	3rd	50	12.09
		60	12.84
	4th	70	14.07
		80	15.56
BEST	5th	85	16.23
		90	18.30

* 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 9/30/2011

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	8.15	9.02
		15	8.86	9.78
		20	9.57	10.24
	2nd	30	10.68	11.23
		40	11.52	12.09
	3rd	50	12.38	12.90
		60	13.26	13.65
	4th	70	14.39	14.74
		80	16.32	15.99
BEST	5th	85	17.22	16.87
		90	18.63	19.14

* 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 9/30/2011

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-91	-128
		15	-73	-106
		20	-60	-75
	2nd	30	-48	-47
		40	-37	-13
	3rd	50	-26	12
		60	-14	39
	4th	70	0	71
		80	12	99
BEST	5th	85	22	121
		90	36	159

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