

## Interest Rate Risk Measures

### Office of the Comptroller of the Currency

#### Credit and Market Risk Policy

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For further information,  
please contact:  
Ray Diggs  
(202) 874-5612

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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.

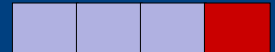
#### Credit and Market Risk Policy

Ray Diggs  
Marshall Osborne

250 E Street, S.W.  
Washington, DC 20219

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The 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>



# Interest Rate Risk Measures

**TABLE 1: Pre-Shock NPV Ratio\* as of 12/31/2011**

Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	9.47
	15	10.19
	20	11.00
2nd	30	11.77
	40	12.86
3rd	50	13.82
	60	14.83
4th	70	16.30
	80	18.55
5th	85	20.13
	90	22.50
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.

**TABLE 2: Interest Rate Sensitivity Measure\* as of 12/31/2011**

Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	168
	15	138
	20	118
2nd	30	93
	40	76
3rd	50	61
	60	52
4th	70	45
	80	35
5th	85	29
	90	23
BEST		

\* 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 12/31/2011**

Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	8.73
	15	9.49
	20	10.24
2nd	30	11.22
	40	12.20
3rd	50	12.97
	60	14.18
4th	70	15.38
	80	17.61
5th	85	19.39
	90	21.50
BEST		

\* 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 12/31/2011**

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
WORST	1st	8.90	9.77
	15	9.81	10.39
	20	10.54	11.11
2nd	30	11.36	12.16
	40	12.44	12.83
3rd	50	13.55	13.72
	60	14.48	14.91
4th	70	16.24	16.09
	80	18.20	18.11
5th	85	20.01	19.97
	90	22.39	21.71
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 12/31/2011**

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
WORST	1st	-91	-154
	15	-79	-123
	20	-65	-94
2nd	30	-52	-56
	40	-43	-26
3rd	50	-33	2
	60	-22	30
4th	70	-7	57
	80	9	92
5th	85	17	118
	90	30	135
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 459 OCC-regulated institutions for which the Dec 2011 Interest Rate Risk Exposure Reports are available.

Prepared by the Credit and Market Risk Policy Division, OCC, Washington, D.C., 3/23/2012.

Interest Rate Risk Measures - Mutuals

**TABLE 6: Pre-Shock NPV Ratio\* as of 12/31/2011**

Quintile	Percent of Industry	*Pre-Shock NPV Ratio	
WORST	1st	10.94	
		15	11.51
		20	11.93
	2nd	30	13.20
		40	14.04
BEST	3rd	50	15.11
		60	16.27
	4th	70	18.65
		80	20.73
	5th	85	22.66
	90	24.92	

\* 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 12/31/2011**

Quintile	Percent of Industry	*Sensitivity Measure	
WORST	1st	189	
		15	147
		20	129
	2nd	30	98
		40	79
BEST	3rd	50	61
		60	52
	4th	70	43
		80	35
	5th	85	31
	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 8: Post-Shock NPV Ratio\* as of 12/31/2011**

Quintile	Percent of Industry	*Post-Shock NPV Ratio	
WORST	1st	10.30	
		15	10.95
		20	11.41
	2nd	30	12.27
		40	12.99
BEST	3rd	50	14.25
		60	15.38
	4th	70	17.76
		80	19.68
	5th	85	21.38
	90	23.31	

\* 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 12/31/2011**

Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:		
WORST	1st	10.64	11.12	
		15	11.62	
		20	12.01	
	2nd	30	12.59	12.87
		40	13.76	13.90
BEST	3rd	50	14.74	15.01
		60	16.34	16.18
	4th	70	18.27	18.23
		80	21.00	20.47
	5th	85	22.41	21.50
	90	25.09	23.91	

\* 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.

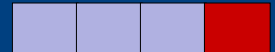
**TABLE 10: Change in NPV Ratio\* by Interest Rate as of 12/31/2011**

Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:		
WORST	1st	-89	-189	
		15	-146	
		20	-114	
	2nd	30	-50	-62
		40	-37	-35
BEST	3rd	50	-31	-14
		60	-17	20
	4th	70	-6	44
		80	13	71
	5th	85	28	89
	90	44	120	

\* 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 199 OCC-regulated institutions for which the Dec 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 12/31/2011**

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	8.81
		15	9.58
		20	10.19
	2nd	30	11.15
		40	12.03
	3rd	50	12.92
		60	14.01
	4th	70	15.04
		80	16.57
	5th	85	17.48
	90	19.17	

\* 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 12/31/2011**

	Quintile	Percent of Industry	*Sensitivity Measure
WORST ↑ ↓ BEST	1st	10	154
		15	125
		20	109
	2nd	30	90
		40	76
	3rd	50	61
		60	52
	4th	70	46
		80	35
	5th	85	28
	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 13: Post-Shock NPV Ratio\* as of 12/31/2011**

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST ↑ ↓ BEST	1st	10	8.08
		15	8.90
		20	9.49
	2nd	30	10.43
		40	11.25
	3rd	50	12.30
		60	13.08
	4th	70	14.26
		80	15.69
	5th	85	16.61
	90	18.11	

\* 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 12/31/2011**

	Quintile	Percent of Industry	*NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	8.15	9.14
		15	9.17	9.89
		20	9.79	10.27
	2nd	30	10.73	11.61
		40	11.41	12.35
	3rd	50	12.61	13.08
		60	13.70	13.87
	4th	70	14.74	15.26
		80	16.61	16.21
	5th	85	17.53	17.47
	90	19.59	19.60	

\* 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 12/31/2011**

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp +200 bp Less Than:	
WORST ↑ ↓ BEST	1st	10	-97	-133
		15	-81	-99
		20	-67	-80
	2nd	30	-55	-45
		40	-48	-12
	3rd	50	-36	9
		60	-25	37
	4th	70	-11	74
		80	5	106
	5th	85	12	130
	90	22	154	

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

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