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 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	10	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
BEST	5th	85	20.13
		90	22.50

* 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	10	168
		15	138
		20	118
	2nd	30	93
		40	76
	3rd	50	61
		60	52
	4th	70	45
		80	35
BEST	5th	85	29
		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 3: Post-Shock NPV Ratio* as of 12/31/2011

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	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
BEST	5th	85	19.39
		90	21.50

* 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 Less Than: -100 bp	+200 bp
WORST	1st	10	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
BEST	5th	85	20.01	19.97
		90	22.39	21.71

* 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 Less Than: -100 bp	+200 bp
WORST	1st	10	-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
BEST	5th	85	17	118
		90	30	135

* 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	10.94
		15	11.51
		20	11.93
	2nd	30	13.20
		40	14.04
	3rd	50	15.11
		60	16.27
	4th	70	18.65
		80	20.73
BEST	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	10	189
		15	147
		20	129
	2nd	30	98
		40	79
	3rd	50	61
		60	52
	4th	70	43
		80	35
BEST	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	10.30
		15	10.95
		20	11.41
	2nd	30	12.27
		40	12.99
	3rd	50	14.25
		60	15.38
	4th	70	17.76
		80	19.68
BEST	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 Less Than: -100 bp	+200 bp
WORST	1st	10	10.64	11.12
		15	11.09	11.62
		20	11.56	12.01
	2nd	30	12.59	12.87
		40	13.76	13.90
	3rd	50	14.74	15.01
		60	16.34	16.18
	4th	70	18.27	18.23
		80	21.00	20.47
BEST	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 Less Than: -100 bp	+200 bp
WORST	1st	10	-89	-189
		15	-71	-146
		20	-59	-114
	2nd	30	-50	-62
		40	-37	-35
	3rd	50	-31	-14
		60	-17	20
	4th	70	-6	44
		80	13	71
BEST	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.
Prepared by the Credit and Market Risk Policy Division, OCC, Washington, D.C., 3/23/2012.

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	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
BEST	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	1st	10	154
		15	125
		20	109
	2nd	30	90
		40	76
	3rd	50	61
		60	52
	4th	70	46
		80	35
BEST	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	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
BEST	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 Less Than: -100 bp	+200 bp
WORST	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
BEST	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 Less Than: -100 bp	+200 bp
WORST	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
BEST	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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