THRIFT INDUSTRY

Interest Rate Risk Measures

First Quarter 2009

Office of Thrift Supervision

Risk Modeling and Analysis Division

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The attached tables present the preliminary 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.

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The Preliminary Interest Rate Risk Measures report for the June, 2009 cycle will be available on the OTS Web page at http://www.ots.treas.gov/StatisticalReleases by August 12, 2009.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 3/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	8.07
		15	8.84
		20	9.50
	2nd	30	10.42
		40	11.29
	3rd	50	12.11
		60	13.32
	4th	70	15.06
		80	17.60
	5th	85	19.21
BEST		90	21.21

* 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 3/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	183
		15	155
		20	135
	2nd	30	101
		40	84
	3rd	50	68
		60	56
	4th	70	46
		80	34
	5th	85	29
BEST		90	24

* 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 3/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	7.26
		15	7.91
		20	8.53
	2nd	30	9.61
		40	10.47
	3rd	50	11.22
		60	12.42
	4th	70	13.95
		80	16.70
	5th	85	18.35
BEST		90	20.51

* 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 3/31/2009

	Quintile	Percent of Industry	*NPV Ratio Less Than: -100 bp	+200 bp
WORST	1st	10	7.65	7.79
		15	8.50	8.42
		20	9.19	9.13
	2nd	30	10.22	10.02
		40	11.03	10.86
	3rd	50	11.93	11.74
		60	13.11	12.83
	4th	70	14.87	14.58
		80	17.41	16.97
	5th	85	19.33	18.52
BEST		90	21.52	20.62

* 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 3/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio Less Than: -100 bp	+200 bp
WORST	1st	10	-74	-179
		15	-63	-149
		20	-54	-129
	2nd	30	-36	-91
		40	-25	-64
	3rd	50	-13	-41
		60	-4	-18
	4th	70	7	8
		80	20	38
	5th	85	28	53
BEST		90	41	77

* 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 758 OTS-regulated institutions for which the Mar 2009 Interest Rate Risk Exposure Reports are available.
Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 6/22/2009.

Interest Rate Risk Measures - Mutuals

TABLE 6: Pre-Shock NPV Ratio* as of 3/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	9.42
		15	10.23
		20	10.79
	2nd	30	11.99
		40	13.04
	3rd	50	14.15
		60	16.15
	4th	70	17.60
		80	19.50
BEST	5th	85	20.68
		90	24.30

* 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 3/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	224
		15	183
		20	163
	2nd	30	120
		40	90
	3rd	50	73
		60	61
	4th	70	50
		80	38
BEST	5th	85	33
		90	26

* 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 3/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	8.68
		15	9.47
		20	9.95
	2nd	30	11.18
		40	12.00
	3rd	50	13.14
		60	15.06
	4th	70	16.57
		80	18.40
BEST	5th	85	19.73
		90	22.68

* 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 3/31/2009

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	9.26	9.07
		15	10.01	9.77
		20	10.53	10.22
	2nd	30	11.82	11.34
		40	12.86	12.57
	3rd	50	14.04	13.65
		60	16.01	15.36
	4th	70	17.41	16.87
		80	19.63	18.50
BEST	5th	85	21.02	19.79
		90	24.35	22.85

* 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 3/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-65	-222
		15	-54	-180
		20	-45	-155
	2nd	30	-31	-119
		40	-21	-86
	3rd	50	-9	-56
		60	-1	-37
	4th	70	8	-8
		80	23	17
BEST	5th	85	29	36
		90	45	53

* 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 288 OTS-regulated institutions for which the Mar 2009 Interest Rate Risk Exposure Reports are available.
Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 6/22/2009.

Interest Rate Risk Measures - Stock

TABLE 11: Pre-Shock NPV Ratio* as of 3/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	7.60
		15	8.25
		20	8.83
	2nd	30	9.79
		40	10.52
	3rd	50	11.26
		60	12.06
	4th	70	13.09
		80	15.06
BEST	5th	85	16.79
		90	19.88

* 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 3/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	166
		15	141
		20	123
	2nd	30	95
		40	78
	3rd	50	65
		60	55
	4th	70	42
		80	33
BEST	5th	85	27
		90	22

* 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 3/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	6.58
		15	7.39
		20	7.89
	2nd	30	8.92
		40	9.84
	3rd	50	10.54
		60	11.14
	4th	70	12.27
		80	14.40
BEST	5th	85	16.42
		90	18.92

* 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 3/31/2009

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	7.18	7.20
		15	7.92	7.89
		20	8.49	8.44
	2nd	30	9.47	9.50
		40	10.40	10.19
	3rd	50	11.02	10.89
		60	11.83	11.74
	4th	70	13.00	12.82
		80	14.88	14.77
BEST	5th	85	16.98	16.77
		90	19.47	19.23

* 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 3/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-81	-153
		15	-69	-133
		20	-59	-111
	2nd	30	-40	-74
		40	-27	-54
	3rd	50	-15	-28
		60	-6	-4
	4th	70	6	16
		80	19	48
BEST	5th	85	26	64
		90	38	98

* 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 470 OTS-regulated institutions for which the Mar 2009 Interest Rate Risk Exposure Reports are available.
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