THRIFT INDUSTRY

Interest Rate Risk Measures

Office of Thrift Supervision

Risk Modeling and Analysis Division

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Fourth Quarter 2009

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.

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The Preliminary Interest Rate Risk Measures report for the March, 2010 cycle will be available on the OTS Web page at http://www.ots.treas.gov/StatisticalReleases by May 20, 2010.

Interest Rate Risk Measures

TABLE 1: Pre-Shock NPV Ratio* as of 12/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	9.71
		15	10.25
		20	10.88
	2nd	30	11.71
		40	12.44
	3rd	50	13.23
		60	14.24
	4th	70	16.16
		80	18.35
BEST	5th	85	19.64
		90	21.82

* 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 12/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	349
		15	311
		20	261
	2nd	30	205
		40	153
	3rd	50	110
		60	84
	4th	70	63
		80	46
BEST	5th	85	35
		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 12/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	8.14
		15	8.84
		20	9.33
	2nd	30	10.32
		40	11.11
	3rd	50	11.94
		60	12.92
	4th	70	14.27
		80	16.50
BEST	5th	85	17.93
		90	19.88

* 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 12/31/2009

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	9.69	8.27
		15	10.27	8.93
		20	10.89	9.52
	2nd	30	11.82	10.49
		40	12.62	11.37
	3rd	50	13.56	12.13
		60	14.51	13.15
	4th	70	16.36	14.65
		80	18.82	16.69
BEST	5th	85	20.31	18.00
		90	22.19	20.05

* 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 12/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-53	-348
		15	-40	-307
		20	-29	-261
	2nd	30	-11	-202
		40	4	-151
	3rd	50	15	-105
		60	28	-77
	4th	70	43	-35
		80	67	3
BEST	5th	85	76	19
		90	93	47

* 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 724 OTS-regulated institutions for which the Dec 2009 Interest Rate Risk Exposure Reports are available.
Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 3/26/2010.

Interest Rate Risk Measures - Mutuals

TABLE 6: Pre-Shock NPV Ratio* as of 12/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	11.00
		15	11.47
		20	11.97
	2nd	30	12.82
		40	14.16
	3rd	50	15.21
		60	17.01
	4th	70	18.35
		80	20.13
BEST	5th	85	21.09
		90	24.27

* 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 12/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	410
		15	375
		20	341
	2nd	30	286
		40	228
	3rd	50	179
		60	141
	4th	70	98
		80	60
BEST	5th	85	51
		90	38

* 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 12/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	8.60
		15	9.50
		20	10.14
	2nd	30	11.11
		40	12.18
	3rd	50	13.36
		60	14.65
	4th	70	16.14
		80	17.93
BEST	5th	85	19.13
		90	21.82

* 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 12/31/2009

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	10.97	8.61
		15	11.54	9.51
		20	12.12	10.14
	2nd	30	13.35	11.11
		40	14.23	12.39
	3rd	50	15.57	13.39
		60	17.33	14.87
	4th	70	18.68	16.28
		80	20.79	18.22
BEST	5th	85	21.87	19.35
		90	25.86	22.00

* 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 12/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-40	-408
		15	-26	-375
		20	-16	-341
	2nd	30	4	-284
		40	16	-228
	3rd	50	31	-179
		60	46	-138
	4th	70	67	-96
		80	86	-46
BEST	5th	85	98	-15
		90	115	11

* 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 285 OTS-regulated institutions for which the Dec 2009 Interest Rate Risk Exposure Reports are available.
Prepared by the Risk Modeling and Analysis Division, OTS, Washington, D.C., 3/26/2010.

Interest Rate Risk Measures - Stock

TABLE 11: Pre-Shock NPV Ratio* as of 12/31/2009

	Quintile	Percent of Industry	*Pre-Shock NPV Ratio
WORST	1st	10	9.19
		15	9.89
		20	10.34
	2nd	30	11.11
		40	11.86
	3rd	50	12.44
		60	13.19
	4th	70	13.98
		80	16.19
	5th	85	17.88
BEST		90	20.18

* 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 12: Interest Rate Sensitivity Measure* as of 12/31/2009

	Quintile	Percent of Industry	*Sensitivity Measure
WORST	1st	10	273
		15	246
		20	207
	2nd	30	154
		40	110
	3rd	50	87
		60	69
	4th	70	52
		80	36
	5th	85	27
BEST		90	20

* 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 12/31/2009

	Quintile	Percent of Industry	*Post-Shock NPV Ratio
WORST	1st	10	7.79
		15	8.46
		20	9.03
	2nd	30	9.95
		40	10.59
	3rd	50	11.51
		60	12.04
	4th	70	13.00
		80	14.77
	5th	85	16.44
BEST		90	18.77

* 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 12/31/2009

	Quintile	Percent of Industry	*NPV Ratio -100 bp Less Than:	*NPV Ratio +200 bp Less Than:
WORST	1st	10	9.07	7.92
		15	9.93	8.73
		20	10.27	9.23
	2nd	30	11.14	10.21
		40	11.90	10.98
	3rd	50	12.59	11.68
		60	13.41	12.32
	4th	70	14.14	13.40
		80	16.37	15.49
	5th	85	18.30	16.79
BEST		90	20.50	18.83

* 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 12/31/2009

	Quintile	Percent of Industry	*Change in NPV Ratio -100 bp Less Than:	*Change in NPV Ratio +200 bp Less Than:
WORST	1st	10	-57	-271
		15	-46	-242
		20	-36	-204
	2nd	30	-19	-150
		40	-4	-102
	3rd	50	8	-79
		60	19	-50
	4th	70	33	-7
		80	49	19
	5th	85	64	39
BEST		90	74	79

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