FINAL

Thrift Industry
Interest Rate Risk Measures
Third Quarter 2001

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The attached tables contain the most recent industry statistics for several measures of interest rate risk (IRR): the **Post-Shock Net Portfolio Value (NPV) Ratio,** the **Interest Rate Sensitivity Measure**, the **Pre-Shock NPV Ratio**, and the **Change in NPV Ratio**. The measures are defined in footnotes that are included with the tables. The tables can be used to assess an institution's level of IRR.

An institution can find its approximate **Post-Shock NPV Ratio** ranking by referring to Table 1. Assume XYZ Savings has a Post-Shock NPV Ratio of 7.2%. In the last column of the table, locate the first value that is larger than XYZ's post-shock ratio. For XYZ Savings, this corresponds to the second row of the table.

The first column of this row contains XYZ's overall ranking: XYZ's post-shock ratio places this institution in the first quintile (the worst 20%) of the industry. The second column shows an institution's rank with greater precision. XYZ's post-shock ratio is actually among the bottom (worst) 15% of the industry.

This issue of the *Interest Rate Risk Measures* is available on the OTS Web page at http://www.ots.treas.gov/docs/16130.pdf. The preliminary measures for December (16141.pdf) will be available on the OTS Web page by Feburary 21, 2002.

Note: The IRR Measures are no longer available on the OTS PubliFax system. All documents previously available on PubliFax will be provided through the OTS Web site. We will continue to use the PubliFax document numbering convention. If you have any questions or comments, please call the Dissemination Branch at (202) 906-5900, or e-mail them at public.info@ots.treas.gov.

Table 1
Post-Shock NPV Ratio*
As of September 30, 2001

Quintile	Percent of Industry	Post-Shock NPV Ratio Less Than:
1st	10	6.6 %
	15	7.4
	20	7.9
2nd	30	8.9
	40	9.7
3rd	50	10.6
	60	11.6
4th	70	12.8
	80	14.8
5th	85	16.2
	90	18.6

* The Post-Shock NPV Ratio is defined as the Net Portfolio Value (NPV) ratio after a 200 basis point
  increase or decrease in rates, which ever produces the smaller ratio.

Table 2
Interest Rate Sensitivity Measure*
As of September 30, 2001

Quintile	Percent of Industry	Sensitivity Measure Greater Than:
1st	10	357 bp
	15	327
	20	301
2nd	30	252
	40	208
3rd	50	175
	60	143
4th	70	109
	80	76
5th	85	63
	90	49

* The Interest Rate Sensitivity Measure is defined as the decline (in basis points) in the NPV ratio
  caused by a 200 basis point increase or decrease in rates, whichever produces the larger decline.

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.

Based on 955 OTS-regulated institutions for which the September 2001 Interest Rate Risk Exposure Reports are available.

Prepared by the Economic Analysis Division, OTS, Washington, D.C., January 4, 2002.

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Table 3
Pre-Shock NPV Ratio*
As of September 30, 2001

Quintile	Percent of Industry	Pre-Shock NPV Ratio Less Than:
1st	10	8.5 %
	15	9.1
	20	9.6
2nd	30	10.6
	40	11.4
3rd	50	12.2
	60	13.3
4th	70	14.8
	80	16.9
5th	85	18.4
	90	20.7

* The Pre-Shock NPV Ratio is defined as the base-case (pre-shock) NPV divided by the present value
   of assets in the same rate scenario.

Table 4
NPV Ratio by Interest Rate Scenario*
As of September 30, 2001

Quintile	Percent of Industry	NPV Ratio*	
		-200bp	+200bp
		Less Than:	
1st	10	8.2 %	7.0 %
	15	9.1	7.6
	20	9.6	8.1
2nd	30	10.7	9.0
	40	11.7	9.9
3rd	50	12.7	10.9
	60	13.8	12.0
4th	70	15.1	13.2
	80	17.8	15.1
5th	85	19.1	16.4
	90	21.5	18.9

* 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.

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.

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Table 5
Change in NPV Ratio by Interest Rate Scenario*
As of September 30, 2001

Quintile	Percent of Industry	Change in NPV Ratio*	
		-200bp	+200bp
		Less Than:	
1st	10	-94 bp	-355 bp
	15	-65	-324
	20	-49	-298
2nd	30	-11	-245
	40	10	-201
3rd	50	36	-164
	60	62	-123
4th	70	90	-78
	80	120	-37
5th	85	134	-12
	90	155	16

* 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 -200 or +200 basis points.

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.

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