



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

February 3, 1994

DALLAS, TEXAS
75265-5906

Notice 94-17

TO: The Chief Executive Officer of
each financial institution in the
Eleventh Federal Reserve District

SUBJECT

Quarterly Table of Factors to
Adjust Interest Income

DETAILS

The Federal Reserve Board has released its quarterly table of factors to adjust interest income to be used by section 20 companies that adopt the Board's alternative index revenue test to measure compliance with the 10 percent limit on bank-ineligible securities activities.

ATTACHMENT

The Board's quarterly table of factors is printed on the reverse of this notice.

MORE INFORMATION

For more information, please contact Michael Johnson at (214) 922-6155. For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely yours,

Robert D. McTeer, Jr.

Adjustment Factors for Interest Income of Section 20 Subsidiaries
January 3, 1994

Ratio of September 1989 Interest Rates to those in Recent Quarters

Duration	1991	1992				1993			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Months									
One	1.72	1.99	2.10	2.50	2.70	2.67	2.62	2.64	2.58
Three	1.71	2.01	2.12	2.54	2.54	2.66	2.64	2.62	2.56
Six	1.70	1.99	2.08	2.50	2.44	2.57	2.58	2.55	2.48
Twelve	1.68	1.91	1.96	2.40	2.32	2.43	2.45	2.41	2.35
Years									
Two	1.47	1.43	1.46	1.89	1.83	1.83	1.99	2.05	2.06
Three	1.36	1.30	1.33	1.67	1.62	1.61	1.73	1.82	1.85
Four	1.25	1.22	1.23	1.49	1.43	1.48	1.60	1.69	1.70
Five	1.21	1.17	1.17	1.39	1.35	1.40	1.50	1.61	1.63
Six	1.16	1.14	1.13	1.31	1.28	1.35	1.45	1.56	1.57
Seven	1.13	1.11	1.10	1.26	1.25	1.30	1.39	1.51	1.52
Ten	1.06	1.06	1.04	1.14	1.14	1.21	1.27	1.39	1.40
Twenty	0.99	1.01	0.99	1.03	1.03	1.08	1.11	1.21	1.22
Thirty	0.95	0.96	0.95	0.97	0.97	1.03	1.08	1.17	1.19

Note: Adjustment factors were calculated using secondary-market quotes of the yields on Treasury bills for durations of one, three, six, and twelve months and on STRIPs, or zero-coupon Treasury securities, for durations two years and greater. Data are averages of Wednesday observations.