



FEDERAL RESERVE BANK  
OF DALLAS

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

DALLAS, TEXAS  
75265-5906

November 8, 1996

**Notice 96-112**

**TO:** The Chief Executive Officer of each  
member bank and others concerned in  
the Eleventh Federal Reserve District

**SUBJECT**

**Quarterly Table of Factors to  
Adjust Interest Income**

**DETAILS**

The Board of Governors of the Federal Reserve System has released its quarterly table of factors to adjust interest income for use 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. This table, intended for use in the current quarter, is based on average interest rates prevailing during the immediately prior quarter.

**ATTACHMENT**

The Board's quarterly table of factors is attached.

**MORE INFORMATION**

For more information, please contact Bobby Coberly at (214) 922-6209. 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  
 October 2, 1996

Ratio of Interest Rates to those in September 1989

Duration	1994	1995				1996		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Months</b>								
One	1.66	1.42	1.35	1.40	1.43	1.55	1.52	1.52
Three	1.48	1.36	1.39	1.45	1.48	1.58	1.56	1.53
Six	1.36	1.29	1.39	1.46	1.50	1.61	1.53	1.50
Twelve	1.25	1.23	1.39	1.46	1.51	1.61	1.46	1.43
<b>Years</b>								
Two	1.16	1.14	1.34	1.40	1.50	1.54	1.32	1.32
Three	1.11	1.12	1.31	1.37	1.47	1.51	1.29	1.28
Four	1.07	1.11	1.29	1.34	1.44	1.47	1.26	1.25
Five	1.08	1.11	1.29	1.34	1.44	1.45	1.25	1.24
Six	1.07	1.11	1.27	1.33	1.43	1.43	1.24	1.24
Seven	1.06	1.10	1.25	1.31	1.42	1.40	1.23	1.22
Ten	1.04	1.08	1.21	1.26	1.37	1.34	1.19	1.19
Twenty	1.00	1.05	1.13	1.17	1.26	1.24	1.13	1.13
Thirty	0.99	1.03	1.12	1.15	1.25	1.23	1.14	1.11

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.