

Charts for Academic Panel Discussion

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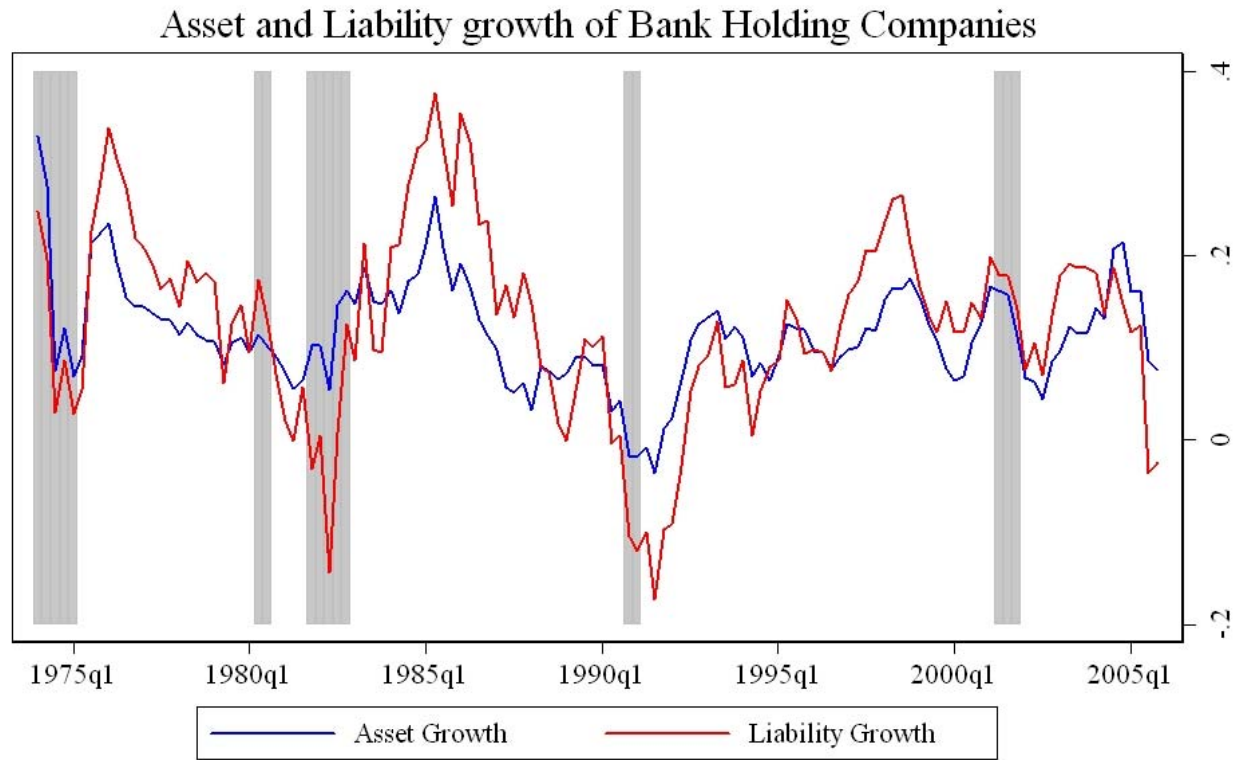
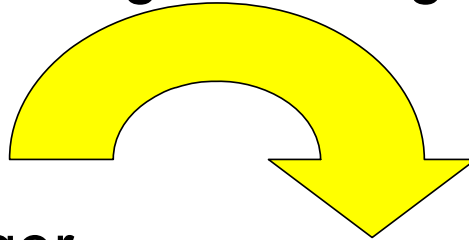


Figure 1: Asset and Liability Growth of U.S. Bank Holding Companies



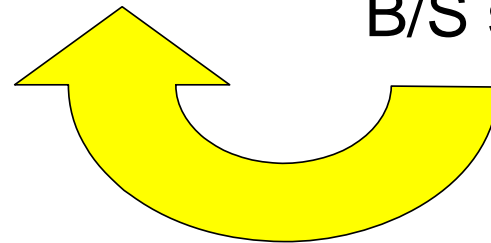
Figure 2: Asset and Liability Growth of U. S. Investment Banks

Target leverage



Stronger
balance sheets

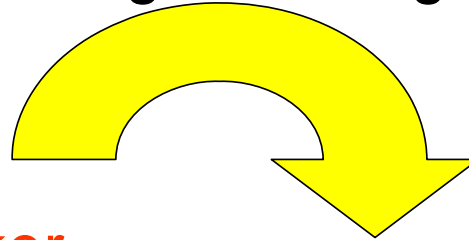
Increase
B/S size



Asset price boom

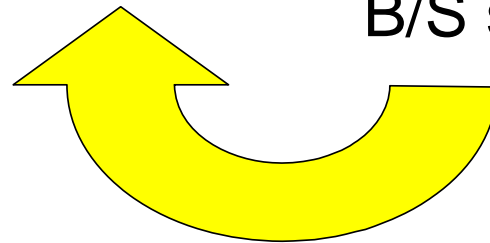
Target Leverage in Booms

Target leverage



Weaker
balance sheets

Reduce
B/S size



Asset price decline

Target Leverage in Busts

Merrill Lynch Asset and Liability Growth

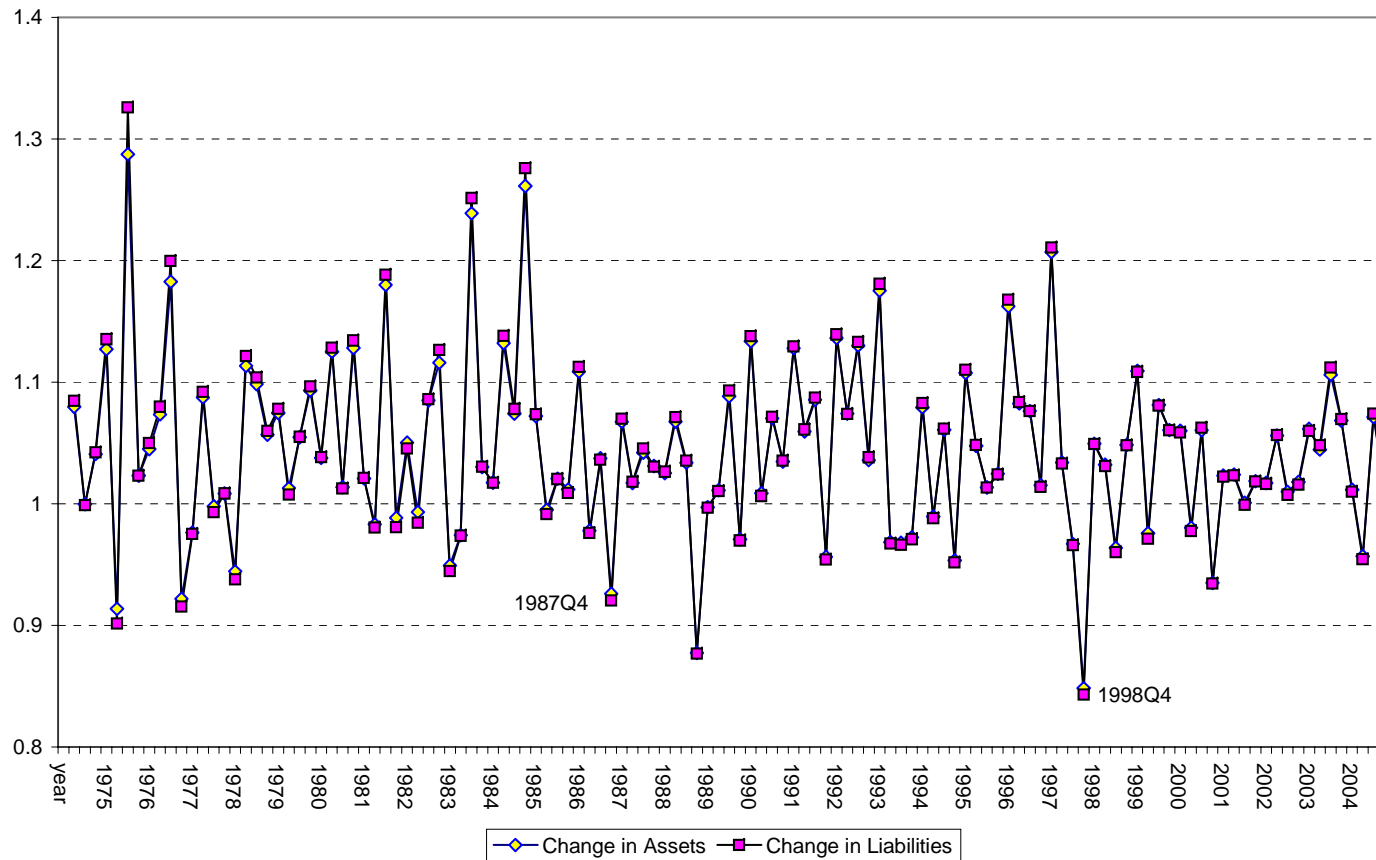


Figure 3: Merrill Lynch Asset and Liability Growth (Quarterly)

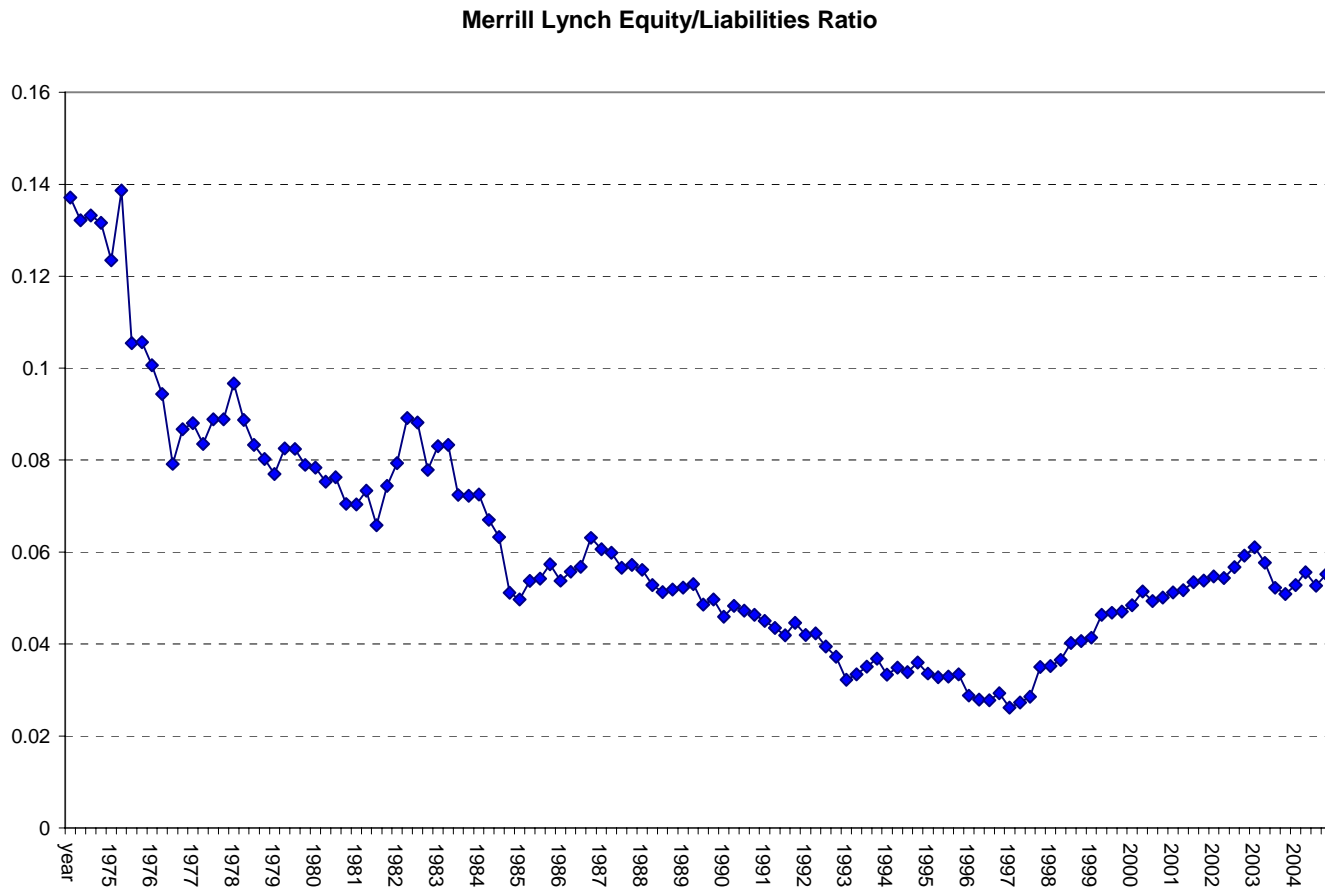


Figure 4: Merrill Lynch: Net Worth to Liabilities Ratio (Quarterly)

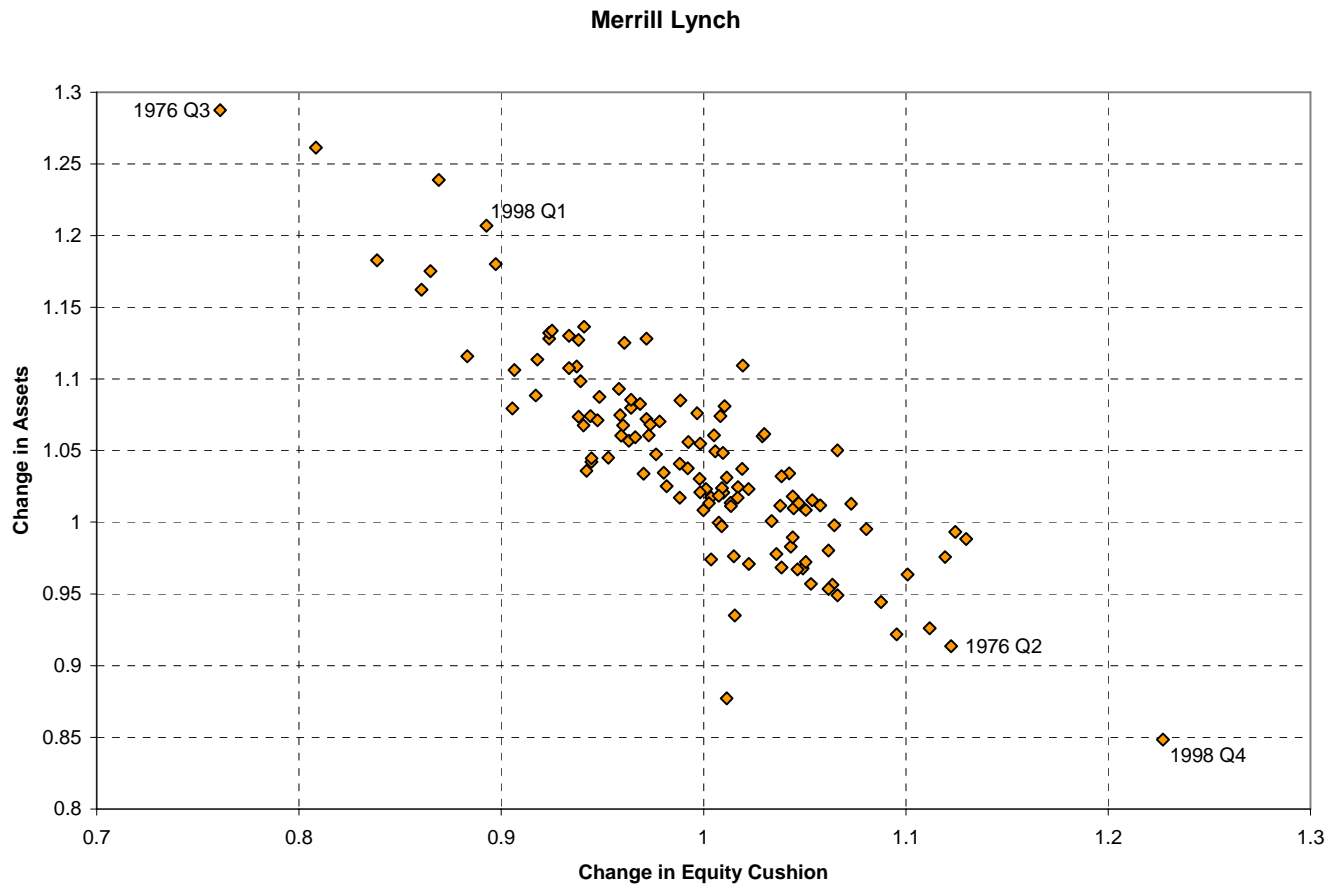


Figure 5: Merrill Lynch: Scatter Plot of Asset Growth against Growth in Ratio of Net Worth to Liabilities (Quarterly)

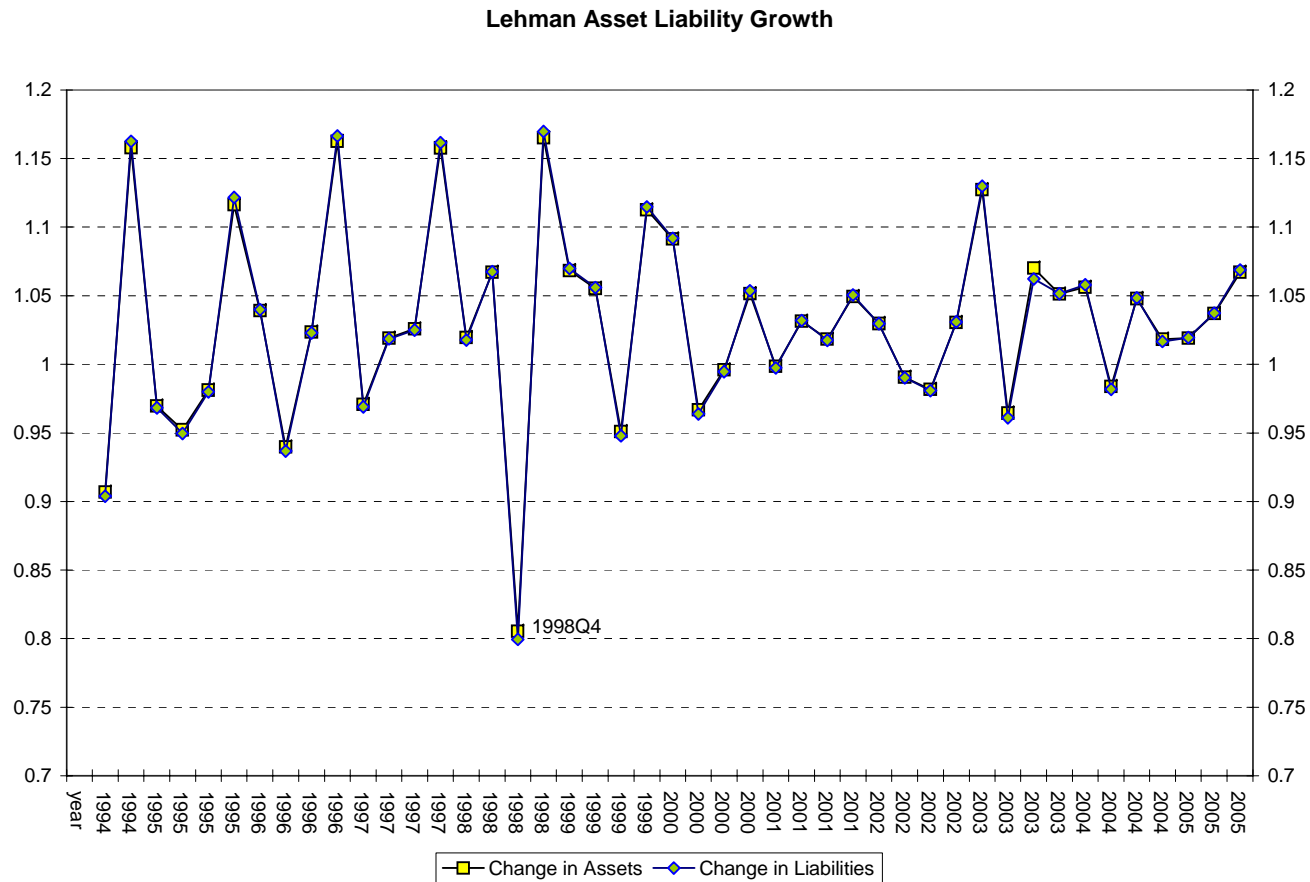


Figure 6: Lehman Brothers: Growth in Assets and Liabilities (Quarterly)

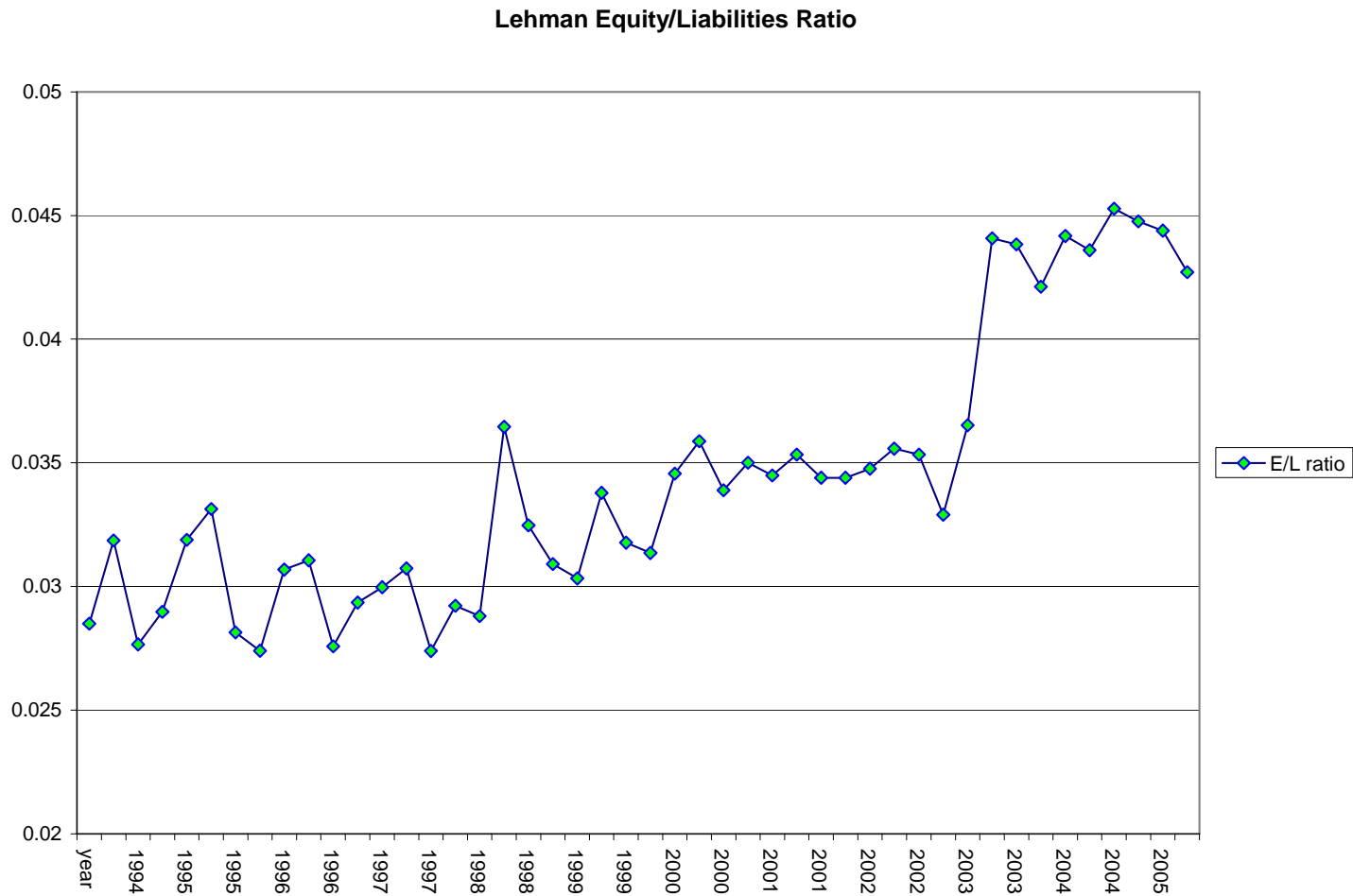


Figure 7: Lehman Brothers: Ratio of Net Worth to Total Liabilities

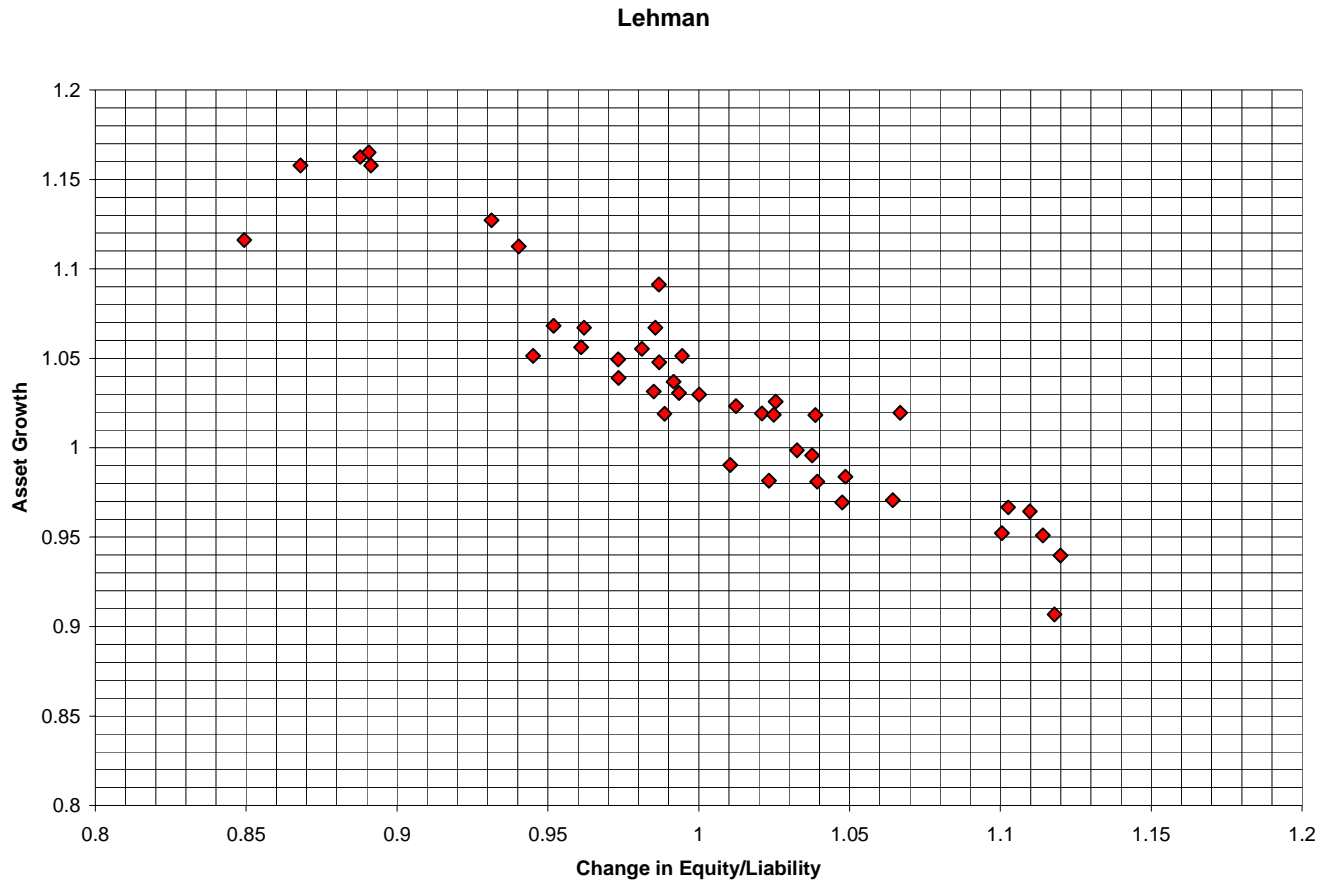


Figure 8: Lehman: Scatter Plot of Change in Ratio of Net Worth to Liabilities against Growth in Assets

Growth of Deposits and Other Bank Liabilities

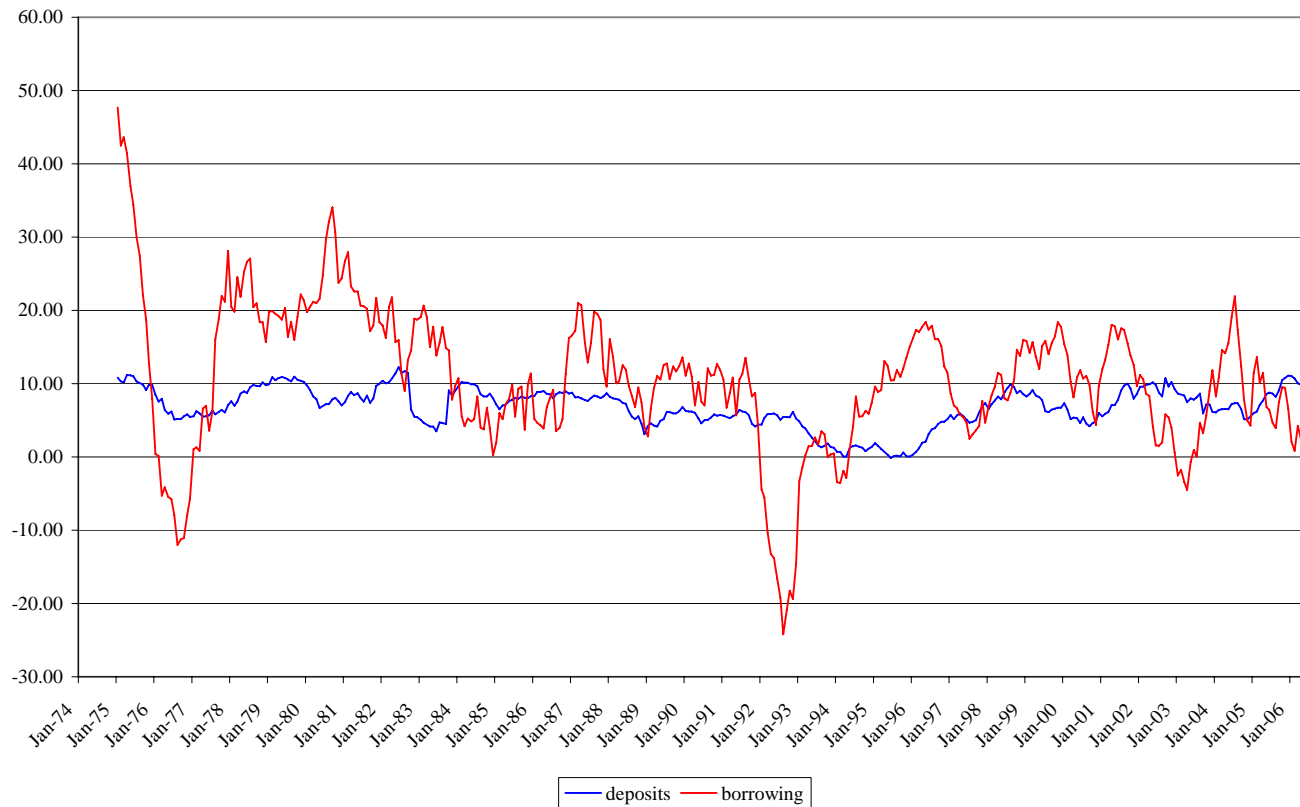


Figure 9: US Commercial Banks: Growth in Deposits and “Borrowing” (annual growth rates plotted monthly)