

**FIGURE 1: STYLIZED BALANCE SHEET OF
A HEALTHY BANK**

<u>Assets</u>	<u>Liabilities</u>
\$100 (loans)	\$92 (deposits)

	\$8 (net worth, owners' equity, capital)

FIGURE 2: THE SPECTRUM OF INFORMATIONAL OPAQUENESS/TRANSPARENCY

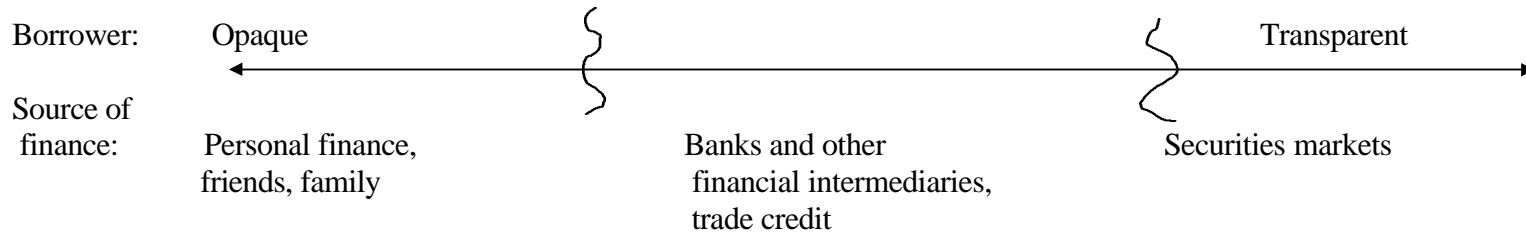


FIGURE 3: TWO DETERMINANTS OF OPAQUENESS/TRANSPARENCY



FIGURE 4A: STYLIZED BALANCE SHEET OF A HEALTHY BANK

<u>Assets</u>	<u>Liabilities</u>
\$100 (loans)	\$92 (deposits)

	\$8 (net worth, owners' equity, capital)

FIGURE 4B: STYLIZED BALANCE SHEET OF A DEEPLY INSOLVENT BANK

<u>Assets</u>	<u>Liabilities</u>
\$80 (loans)	\$92 (deposits)

	-\$12 (net worth, owners' equity, capital)