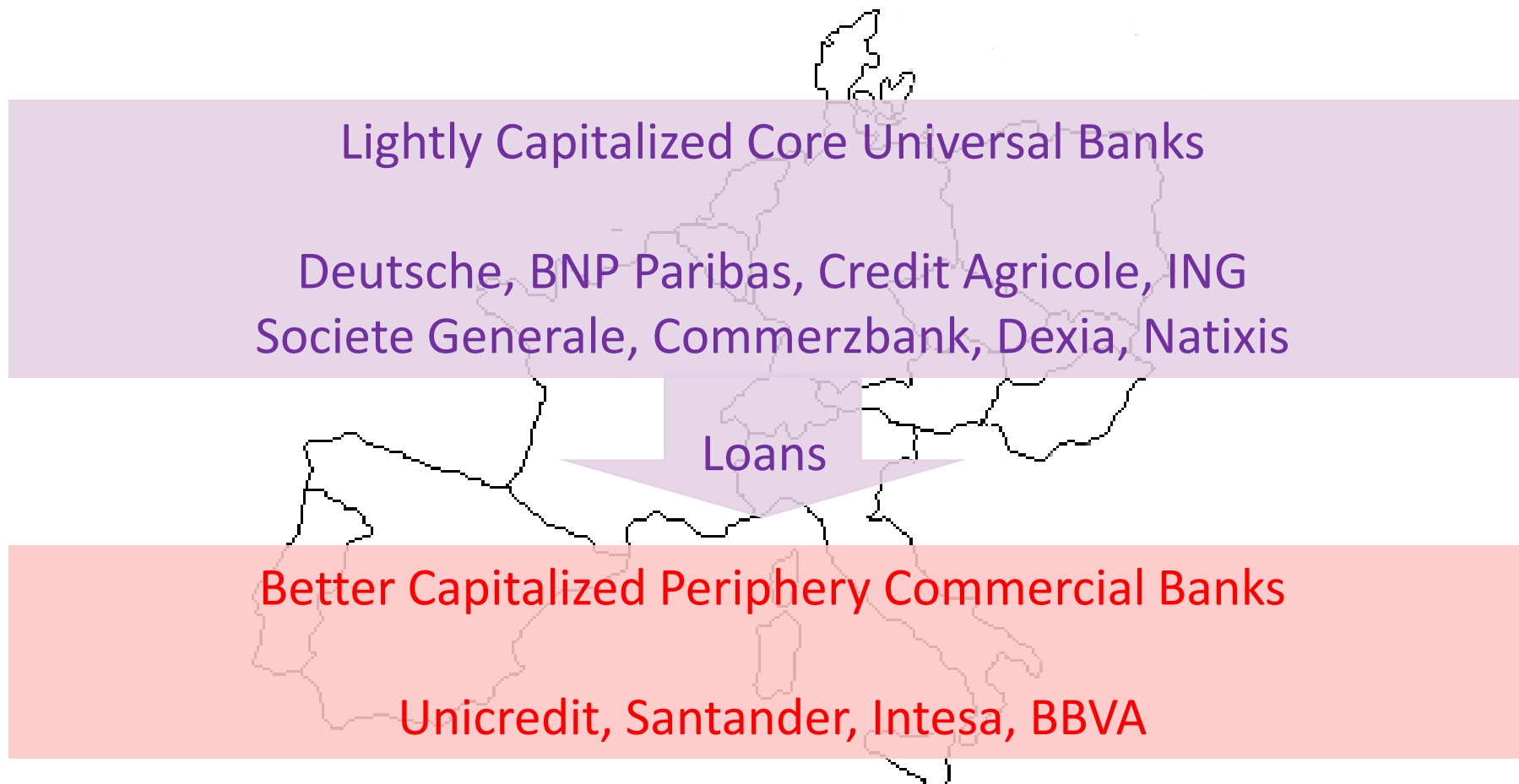


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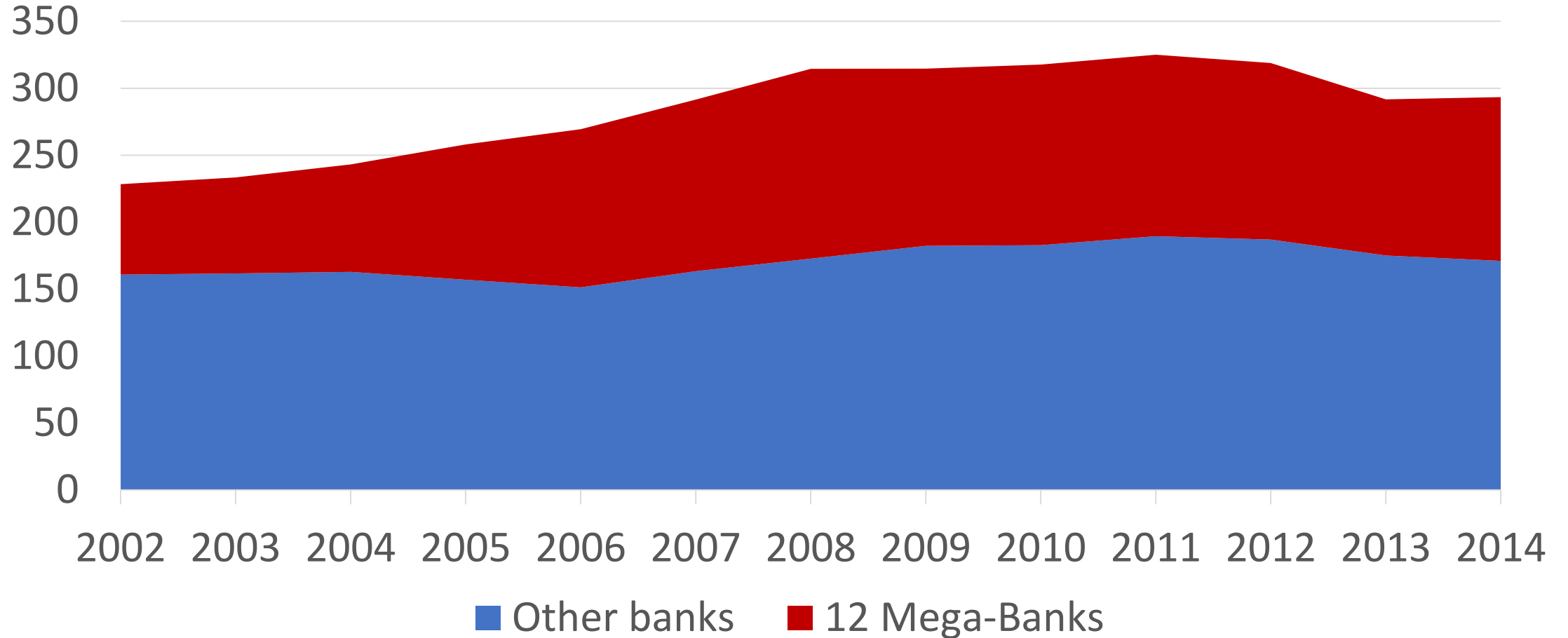
*"Both original and persuasive, this book demonstrates that we still have important lessons to learn from this devastating crisis."*

MARTIN WOLF

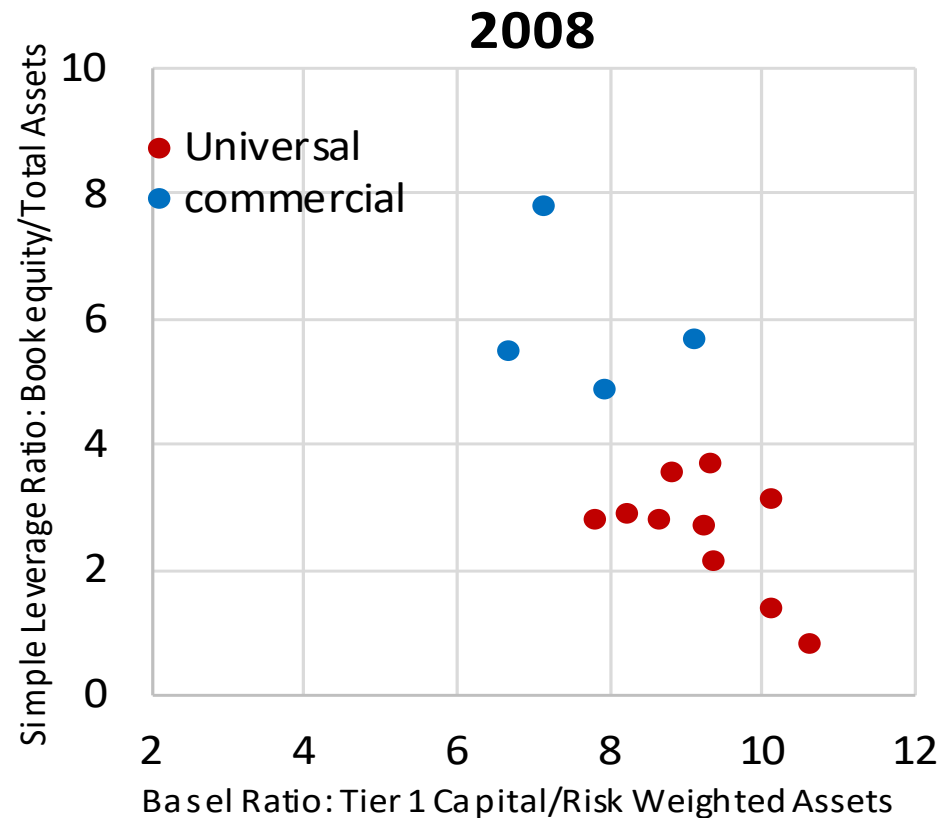
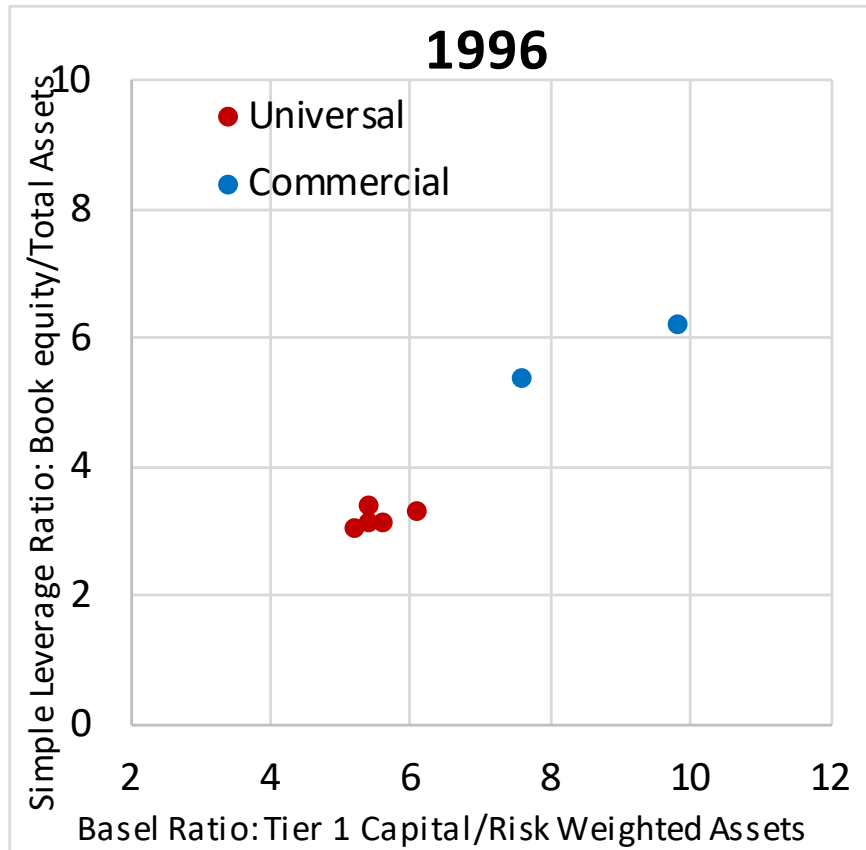
# Structure of Euro Area Banking



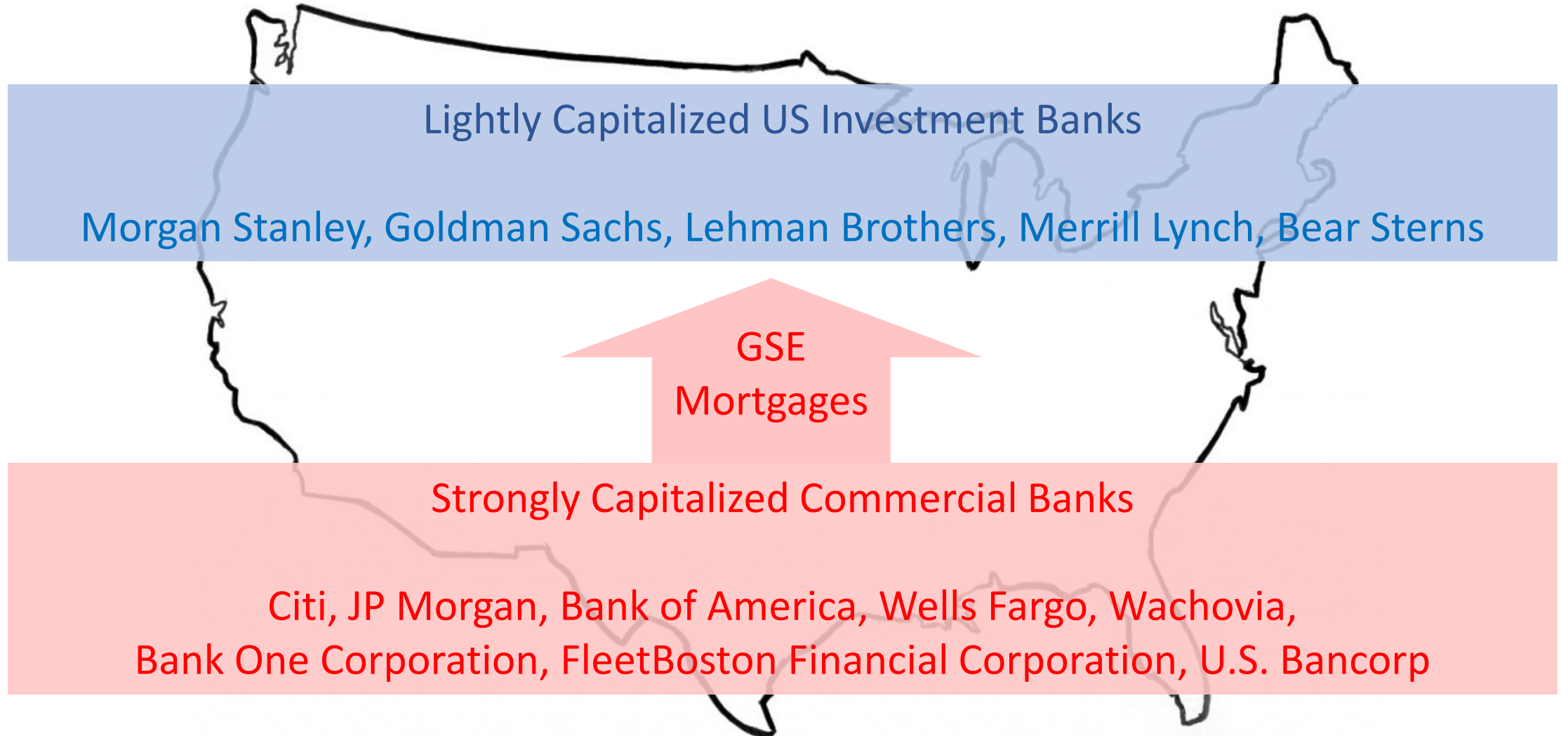
# Mega-Banks Expanded Unsustainably (Euro area bank assets as a ratio to GDP)



# Large Universal European Banks Exploited Internal Risk Models and Became More Fragile

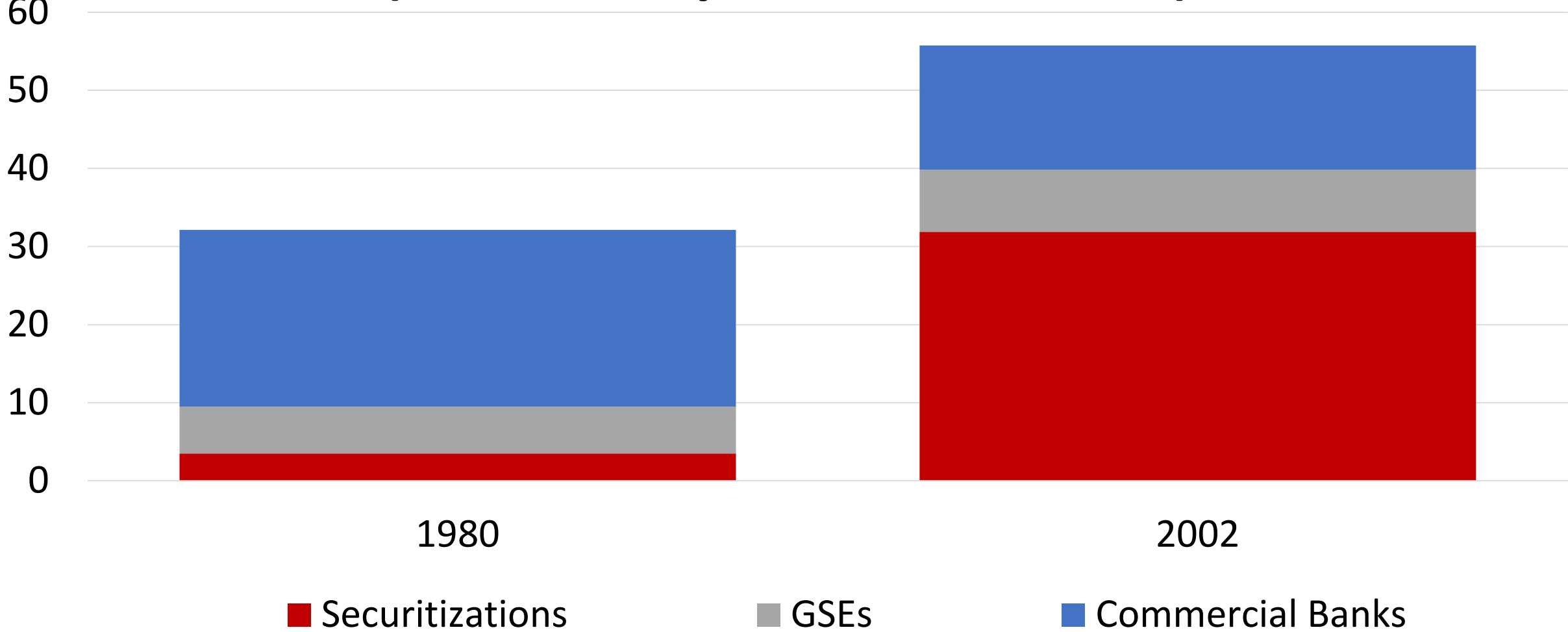


# Structure of US Banking in 2002



# Banks Sold Most Mortgages To Markets by 2002

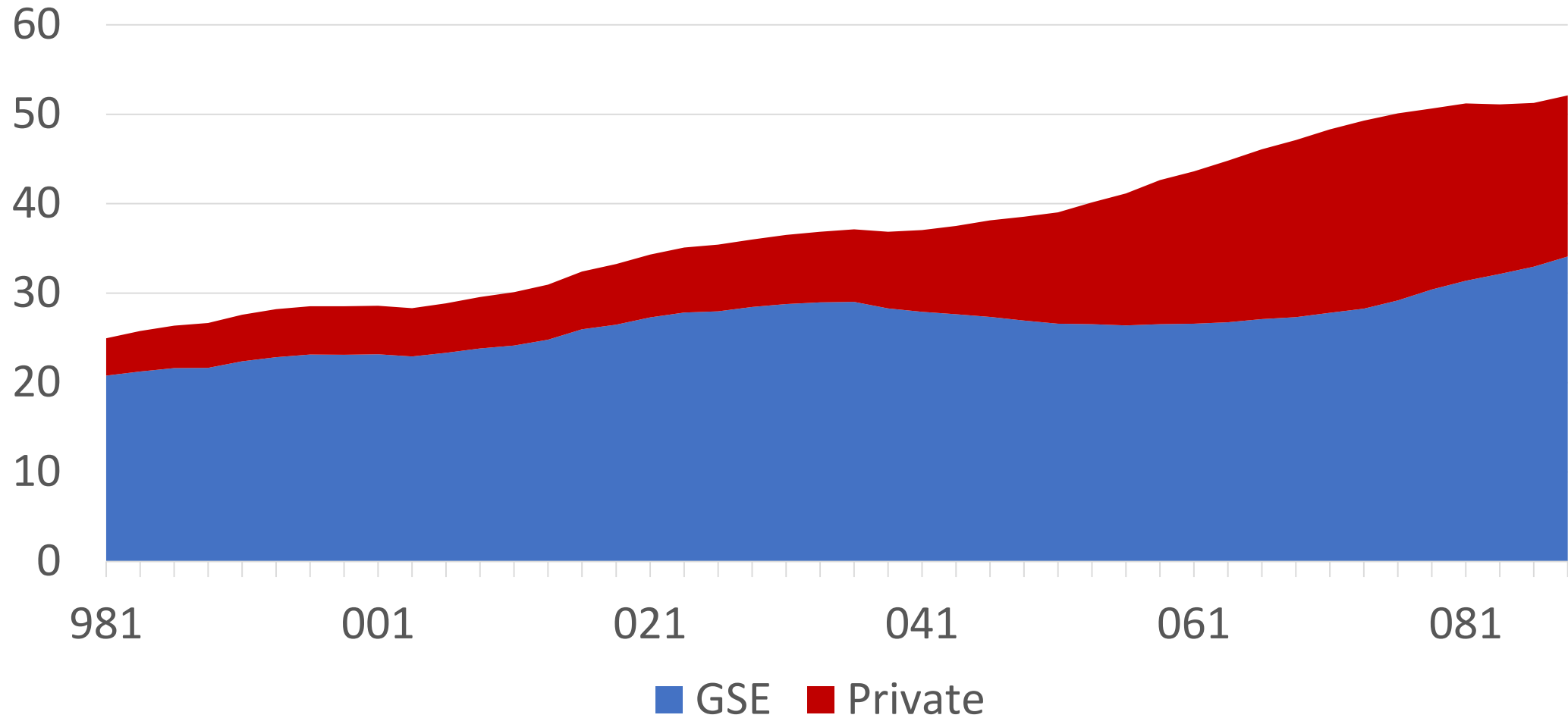
(Assets as a percent of US GDP)



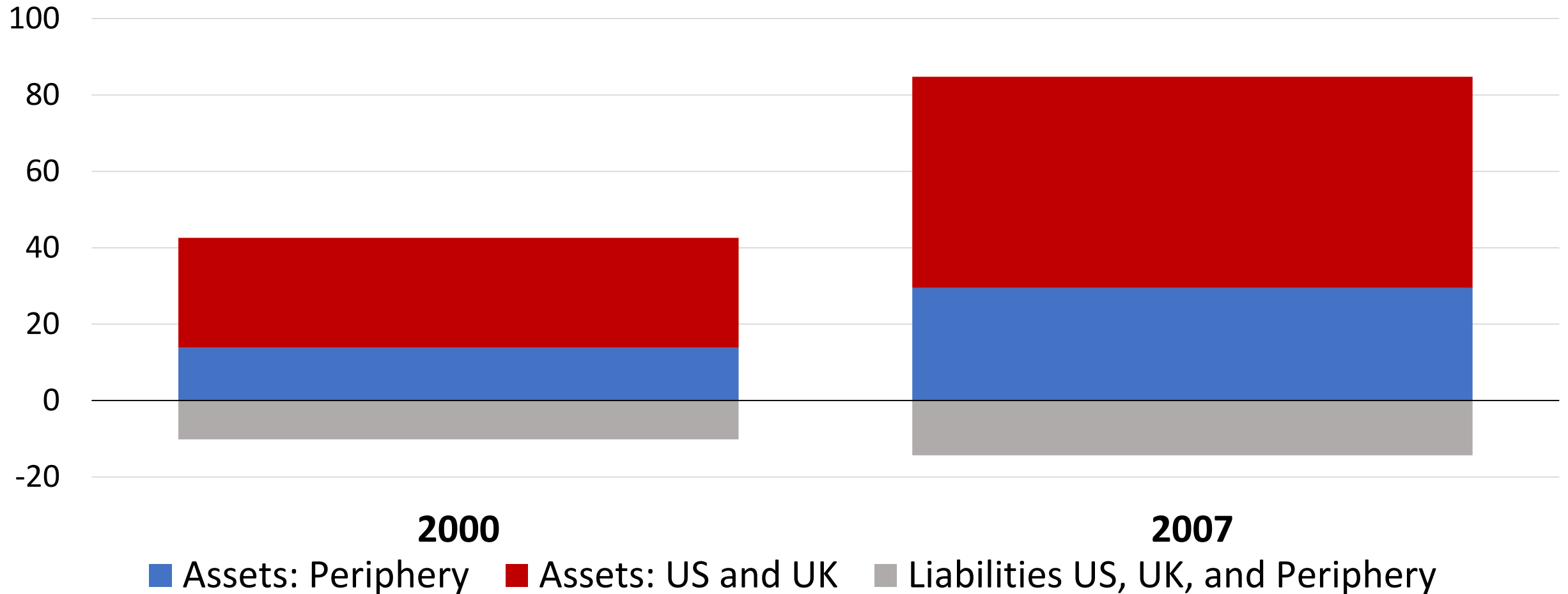
Source: US Flow of Funds

# Private Mortgage Securities Surged After 2003

(Assets as a percent of US GDP)

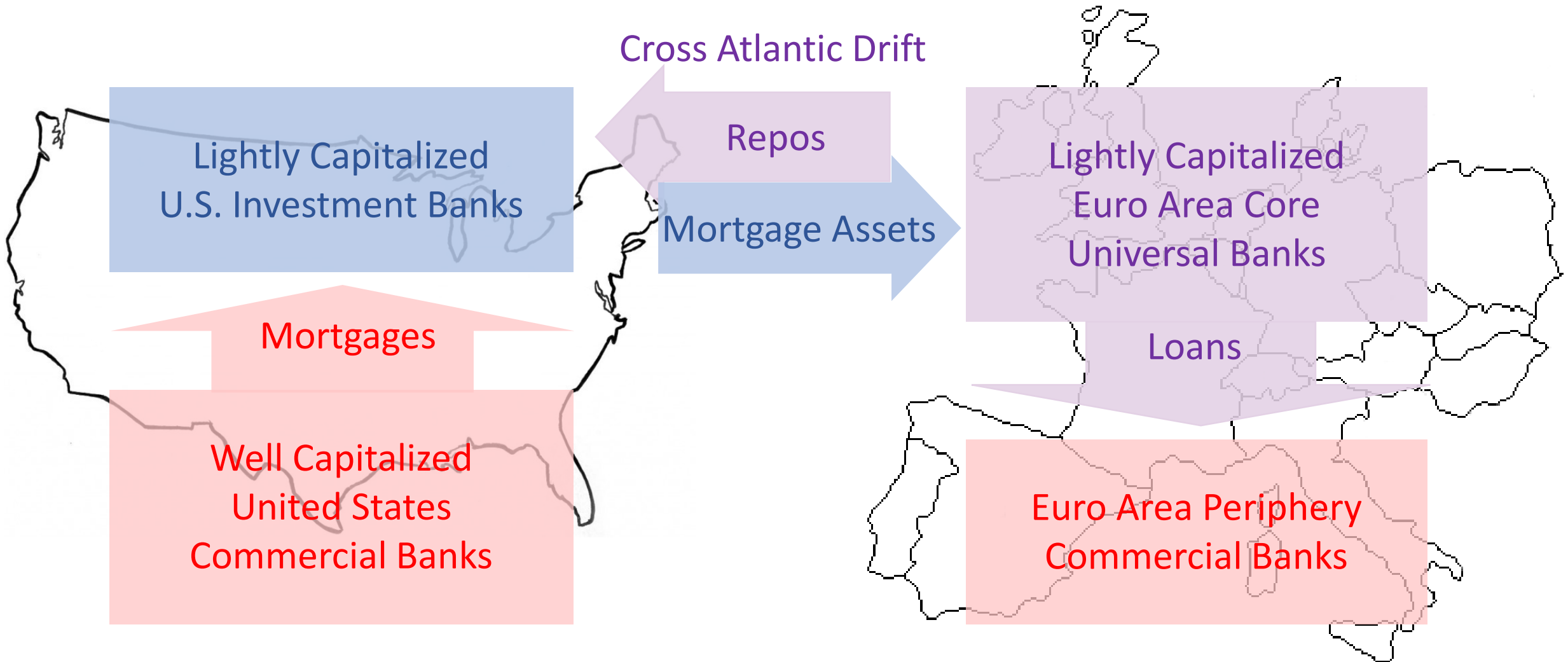


# Core Euro Area Banks Expanded Rapidly Overseas (Assets and Liabilities as a percent of GDP)

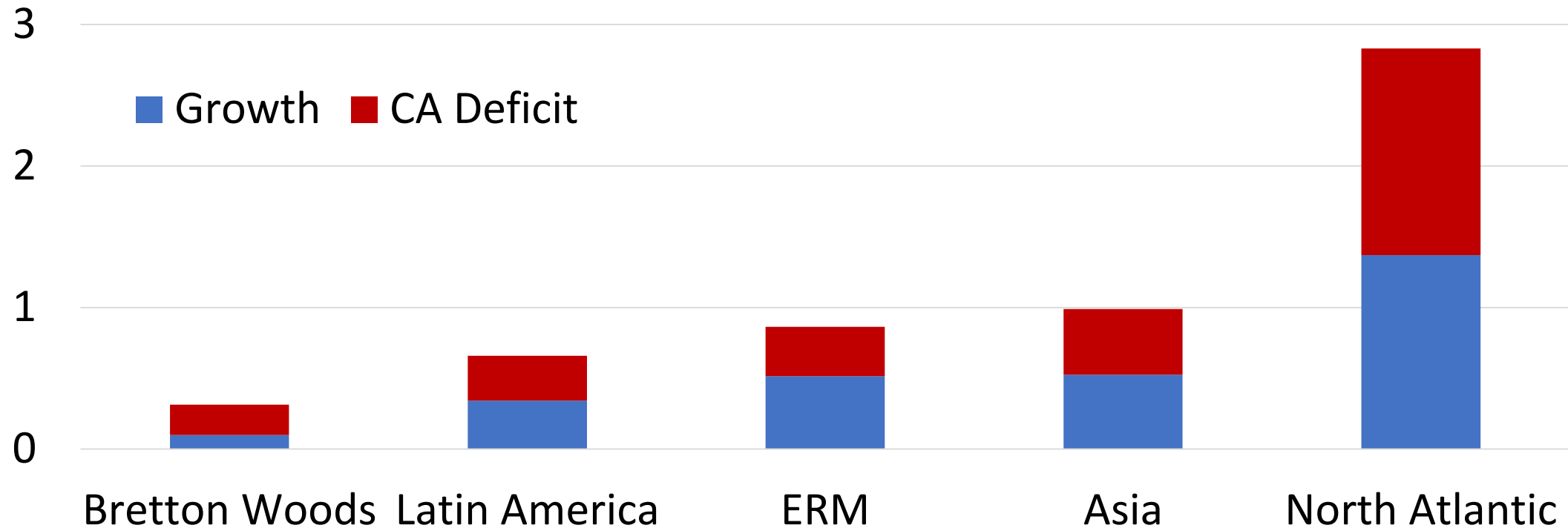




# The North Atlantic Financial Boom



# Costs of Global Crises Rose With Capital Mobility (Ratio to Global GDP)



Source: World Economic Outlook

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*"Both original and persuasive, this book demonstrates that we still have important lessons to learn from this devastating crisis."*

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