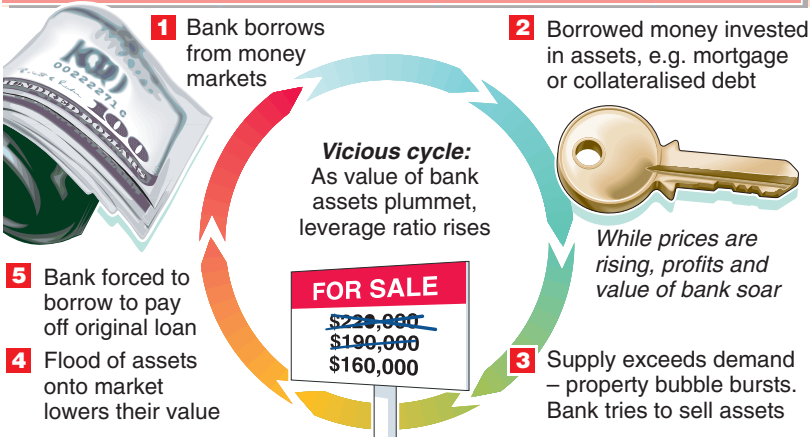
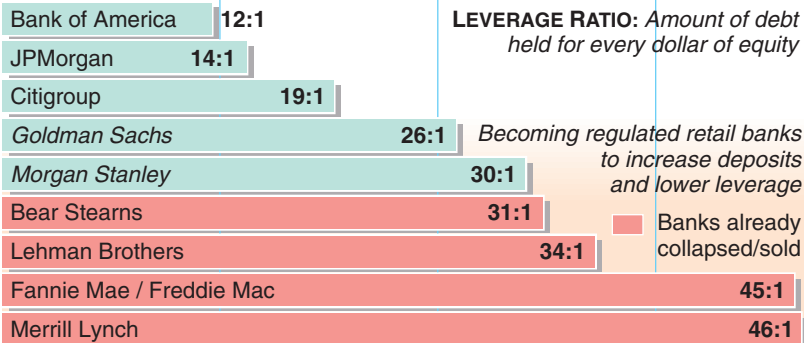


Banks caught in the leverage loop

Investment banks living off borrowed money are now attempting to reduce their leverage, the ratio of debt to equity, but too late. As the value of their sub-prime property assets fall, their actions are paradoxically having the opposite effect, increasing the leverage by driving down their worth



Only government intervention to start buying assets can escape loop