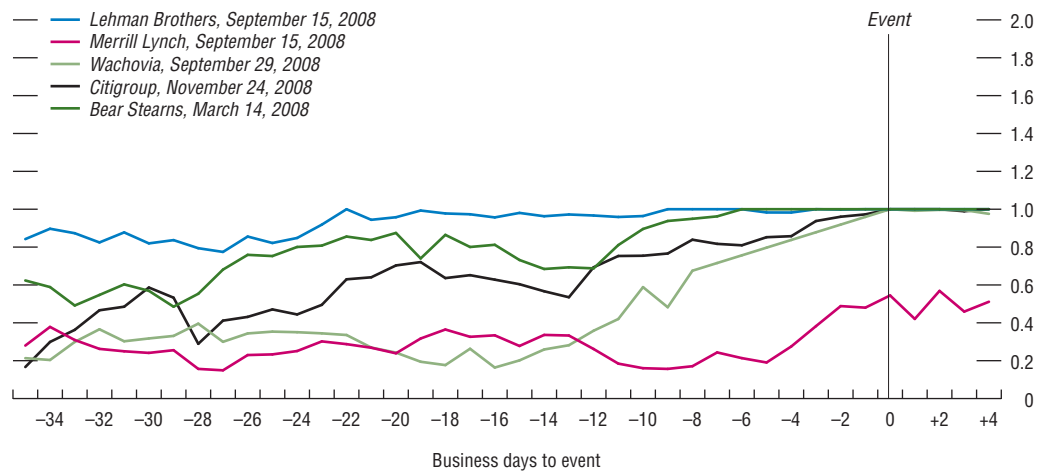


Option-Leverage: A Forward Looking Measure of Distress
(Likelihood option-leverage >30)



Sources: Bloomberg, L.P.; and IMF staff estimates.

Note: Option-leverage is the ratio of the estimated market value of assets to equity. Likelihood option-leverage >40 for Bear Stearns and Lehman Brothers.