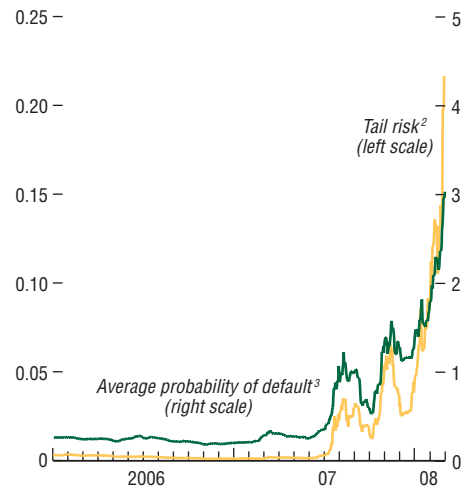


Tail Risk and Average Probability of Default¹

(In percent)



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

¹From January 1, 2007 to March 10, 2008, the average probability of default increased by a factor of 14.8, while the JPoD, measure of tail risk, increased by a factor of 203.6.

²Joint probability of 15 simultaneous defaults.

³Unweighted average of individual banks' probabilities of default.