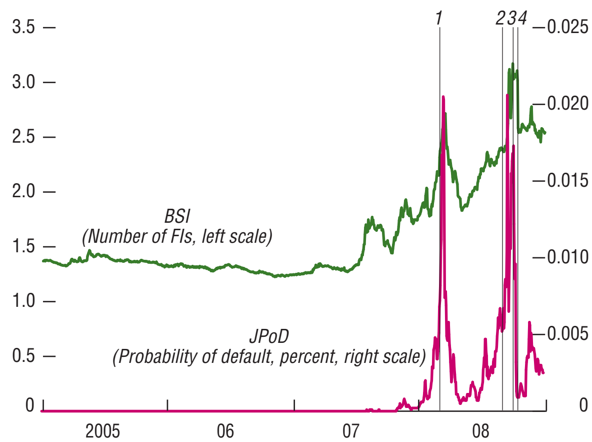
Figure 3.7. Joint Probability of Distress (JPoD) and Banking Stability Index (BSI): Core 2 Group



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

Note: FIs = financial institutions. TARP = Troubled Assets Relief Program. For Core 2 Group, see Annex 3.2.

1. Bear Stearns episode (3/11/08)
2. Lehman bankruptcy and AIG bailout (9/15-16/08)
3. TARP bill failure (9/30/08)
4. Global central bank intervention (10/8/08)