Figure 3.10. Impact of Financial Sector Stabilization Measures on Credit Default Swap (CDS) Spreads (In basis points)

1. Weighted-average CDS spread of banks
2. Sovereign CDS spread

United States
1. 3/14/2008: Bear Stearns rescue
2. 9/14/2008: Lehman Brothers failure
3. 10/1/2008: TARP capital injection
4. 11/23/2008: Citibank package
5. 1/16/2009: Bank of America package
6. 5/7/2009: Bank "stress-test" results released

United Kingdom
1. 2/17/2008: Northern Rock nationalization
2. 10/8/2008: U.K. response measures
3. 1/19/2009: Asset protection scheme announced
4. 2/26/2009: RBS capital injection
5. 3/7/2009: Lloyd’s liability transfer

Germany
1. 8/2/2007: IKB rescue
2. 9/29/2008: Hypo Real Estate rescue
3. 10/7/2008: Coordinated EU response
4. 1/9/2009: Commerzbank recapitalization
5. 5/13/2009: German "bad bank" scheme

Ireland
1. 9/20/2008: Increased deposit guarantees
2. 9/30/2008: Blanket guarantee
3. 10/7/2008: Coordinated EU response
4. 12/21/2008: Recapitalization of three large banks
5. 1/15/2009: Anglo Irish Bank nationalized

Sources: Datastream; and national sources.
1. The asset-weighted average of CDS spreads of the top banks.
2. Five-year sovereign CDS spreads.