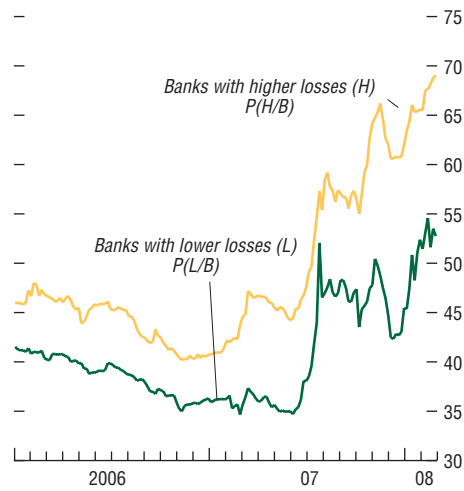


### Mean Default Contagion (DCo) for Banks with Higher and Lower Losses<sup>1</sup>

(In percent)



Source: IMF staff estimates.

<sup>1</sup>Unweighted average of pair-wise conditional probabilities of default, which indicate that *H* banks or *L* banks default given that any other bank (*B*) defaults. In order to keep the confidentiality of the analyzed institutions, we report the mean-DCo, rather than the institution-specific DCo. From January 1, 2007 to March 5, 2008, the mean-DCo rose by a factor of 1.5 among *L* banks, and by a factor of 1.7 among *H* banks.