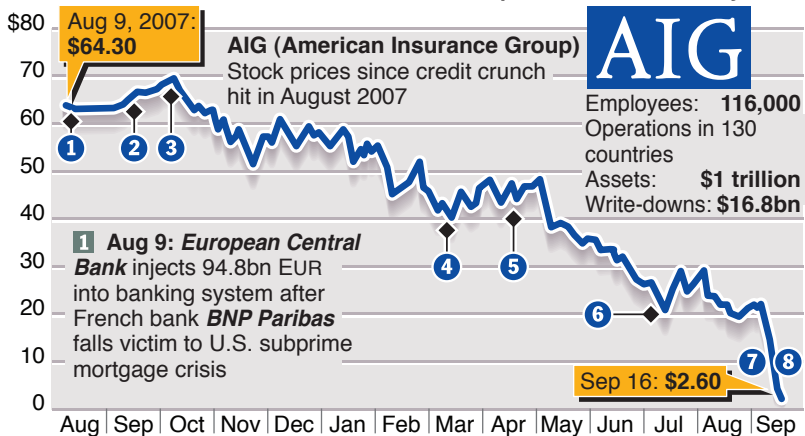


# U.S. central bank moves to save AIG

The U.S. Federal Reserve has announced an \$85bn rescue package for AIG, the world's biggest insurance company, to save it from bankruptcy. The move follows the loss of Lehman Brothers, Merrill Lynch and Bear Stearns, three of Wall Street's financial services companies, in less than a year



**northern rock** **2 Sep 2007: British mortgage lender Northern Rock** granted emergency funding by Bank of England

**3 Oct: UBS and Citigroup** reveal billions of dollars of sub-prime related losses. Citigroup's losses now total \$57.5bn while Swiss-based UBS write-downs now total \$41.8bn

**4 Mar 2008: Bear Stearns** investment bank – first high-profile U.S. sub-prime casualty – bought by **JPMorgan Chase** for \$236m

**5 Apr: Royal Bank of Scotland** asks shareholders for \$24bn rights issue

**6 Jul-Sep: U.S. mounts rescue plan for mortgage giants Fannie Mae and Freddie Mac** – lenders own or back \$5.2 trillion worth of debt

## LEHMAN BROTHERS

**7 Sep 14: Lehman Brothers** files for bankruptcy having written-down \$18.2bn of credit crunch losses

**8 Sep 14: Merrill Lynch**, third largest U.S. investment bank, is bought by **Bank of America** for \$44.3 billion after posting \$46.8bn in write-downs and credit losses