Abstract: This paper explores the impacts of key policy actions by US and European authorities on stock returns of systemically important banks in Europe and US around the subprime crisis. We find that the US policy announcements had a stronger impact on the European and US banking industry than the European policy announcements. In particular, the announcements of monetary policies by the US authorities were accompanied by higher abnormal returns compared to related announcements of European authorities. We also find that the policy announcements, regardless of which side of the Atlantic the news arrived from, has increased the return volatility during the crisis. We further analyze the reactions of implied volatility. The findings suggest that the currency swaps had a non-negligible effect in reducing future uncertainty.