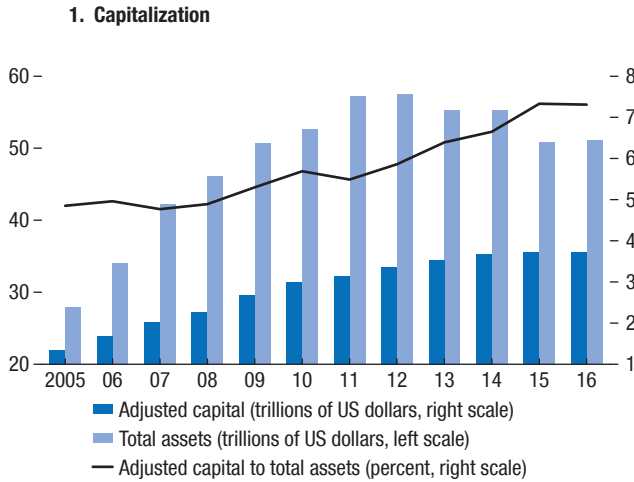
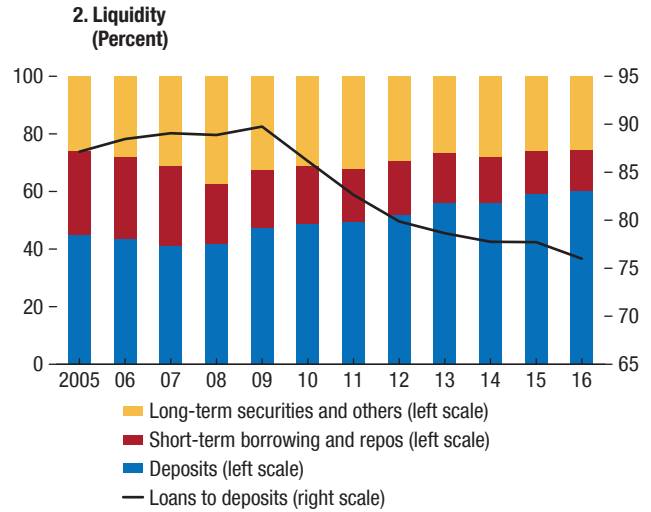


**Figure 1.5. Global Systemically Important Banks: Capital, Liquidity, and Legacy Challenges**

Global banks are better capitalized ...

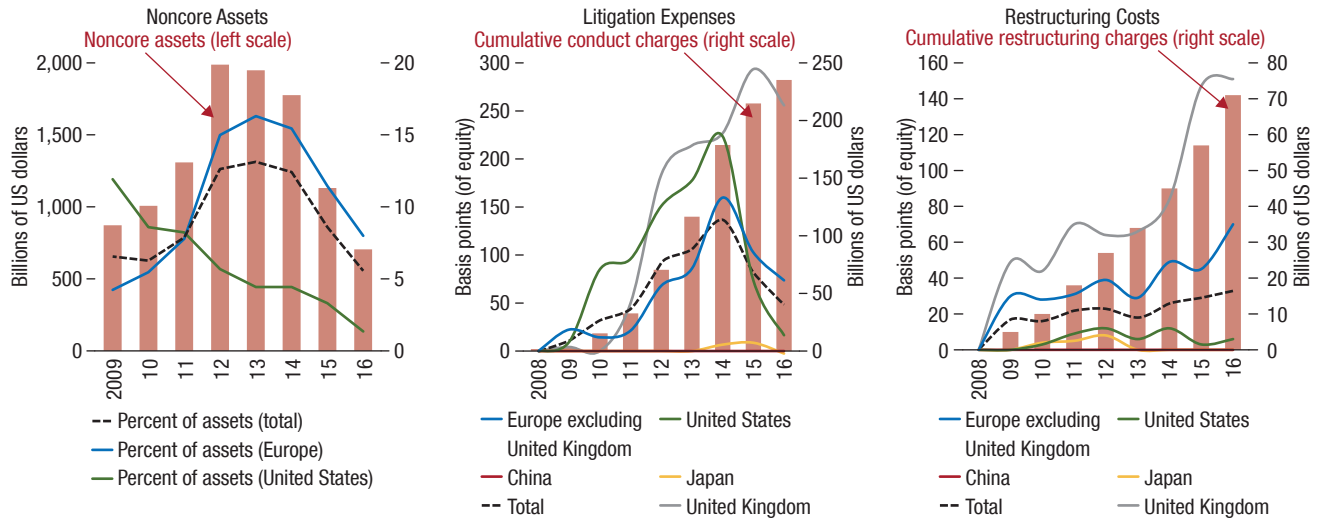


... and hold higher liquidity ...



... and have made good progress in addressing legacy challenges.

### 3. Legacy Challenges: Noncore Assets, Litigation Expenses, and Restructuring Costs



Sources: Bank financial statements; Bloomberg Finance L.P.; Dealogic; S&P Capital IQ; SNL Financial; and IMF staff estimates and analysis.

Note: Adjusted Tier 1 capital equals shareholders' equity, minus 45 percent (an estimate of average gross loss given default) of reported nonperforming loans, plus loan-loss reserves. In panel 1, total assets are adjusted for the netted derivatives. In panel 3, conduct and restructuring charges (in basis points of equity) are on an estimated posttax basis, assuming charges adjusted by effective tax rates.