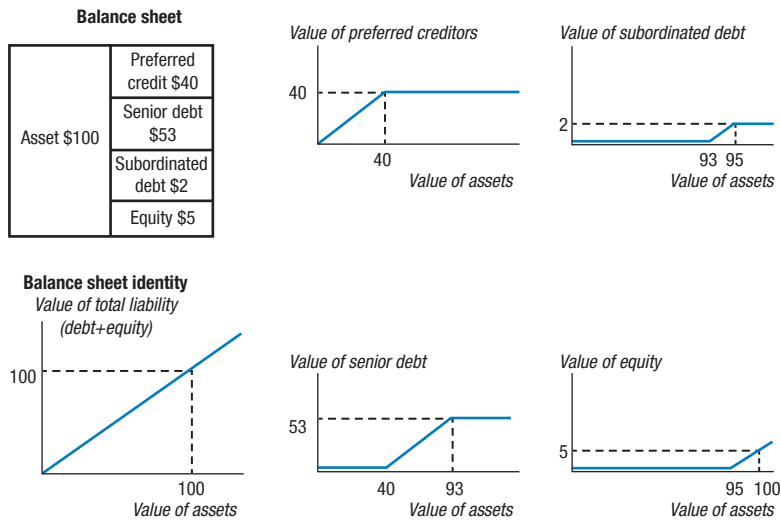


**Figure 3.21. Pricing of Liabilities with Depositor Preference and Asset Encumbrance**



Source: IMF staff.

Note: The balance sheet identity implies that the total value of assets should be equal to the total value of liabilities, which is the vertical sum of the values of preferred credit, senior debt, subordinated debt, and equity.