

[Date]

[Recipient Name/Entity]

[Recipient Address]

[City, State, Zip Code]

RE: FINANCIAL COMFORT LETTER - LOAN LOSS PROVISIONING

To whom it may concern,

This letter is issued by **[Issuing Entity/Parent Company Name]** in relation to the financial stability and loan loss provisioning of **[Subsidiary/Borrowing Entity Name]**.

We acknowledge our understanding of the current loan portfolio and the associated risk profiles of **[Subsidiary Name]**. We hereby confirm that **[Issuing Entity Name]** maintains adequate oversight of the provisioning methodologies employed to ensure compliance with **[Applicable Accounting Standards, e.g., IFRS 9 / GAAP]**.

We provide assurance that **[Issuing Entity Name]** is committed to ensuring that **[Subsidiary Name]** remains in a position to meet its financial obligations. Specifically, we confirm our intention to:

- Monitor the adequacy of the Allowance for Loan and Lease Losses (ALLL) or Expected Credit Loss (ECL) models.
- Ensure that **[Subsidiary Name]** maintains sufficient capital buffers to absorb potential credit losses.
- Provide financial support, if necessary, to maintain the liquidity and solvency requirements as dictated by regulatory frameworks.

This letter does not constitute a legal guarantee of debt but serves as a statement of financial support and intent to maintain the operational integrity of **[Subsidiary Name]** regarding its credit risk management.

This comfort letter is valid until **[Expiration Date]** or until such time as the underlying financial obligations are discharged.

Sincerely,

[Signature]

[Name of Authorized Signatory]

[Title/Position]

[Issuing Entity Name]