

[Auditing Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Subject: Auditor Comfort Letter regarding Derivative Valuation Accuracy

To the Board of Directors and Management of [Client Name],

We have performed the procedures enumerated below, which were agreed to by [Client Name], solely to assist you in evaluating the accuracy of the valuations of derivative financial instruments as of [Reporting Date], as presented in the company's financial statements.

Our engagement was conducted in accordance with the attestation standards established by the [Relevant Accounting Body, e.g., AICPA]. The sufficiency of these procedures is solely the responsibility of the management of [Client Name].

The procedures performed and our findings are as follows:

- **Methodology Review:** We reviewed the valuation models used by [Client Name] (e.g., Black-Scholes, Monte Carlo simulation) and confirmed they align with generally accepted accounting principles (GAAP/IFRS).
- **Input Verification:** We compared observable market inputs, such as interest rates, exchange rates, and volatility data, against independent third-party sources (e.g., Bloomberg, Reuters).
- **Mathematical Accuracy:** We recalculated the fair value for a representative sample of derivative contracts to verify the arithmetic precision of the internal valuation system.
- **Counterparty Confirmation:** We compared the internal valuations against month-end statements provided by the respective counterparties.

Based on the procedures performed, nothing came to our attention that caused us to believe that the derivative valuations as of [Reporting Date] are not presented, in all material respects, in conformity with [Relevant Financial Reporting Framework].

This letter is intended solely for the information and use of the management and Board of Directors of [Client Name] and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

[Signature of Audit Firm]

[Name of Engagement Partner]

[Auditing Firm Name]