Date: [Insert Date]

To: [Insert Department/Entity Name]

From: [Insert Name/Risk Management Department]

Subject: Announcement: Annual Interest Rate Shock Stress Testing Scenario

Dear [Insert Name/Recipient],

This letter serves as formal notification that [Insert Organization Name] will commence its annual Interest Rate Shock Stress Testing for the upcoming fiscal cycle. This exercise is designed to evaluate the resilience of our portfolio against sudden and adverse movements in market interest rates.

Scenario Overview:

The primary scenario for this testing cycle involves an immediate and sustained parallel shift in the yield curve. Specifically, we will be testing for a [Insert Basis Points, e.g., +200bps] shock across all maturities. This test aims to measure the impact on:

- Net Interest Income (NII) sensitivity
- Economic Value of Equity (EVE)
- Mark-to-market valuations of fixed-income assets
- Funding costs and liquidity coverage ratios

Data Requirements:

Your department is required to provide updated balance sheet positions and contractual maturity schedules as of [Insert Cut-off Date]. Please ensure all data is submitted via the [Insert System/Portal Name] no later than [Insert Deadline Date].

Timeline:

- **Data Collection Phase:** [Insert Start Date] to [Insert End Date]
- **Analysis and Modeling:** [Insert Start Date] to [Insert End Date]
- **Results Reporting:** [Insert Date]

Should you have any questions regarding the assumptions or the data submission process, please contact [Insert Contact Person Name] at [Insert Email/Phone Number].

Thank you for your cooperation in maintaining our robust risk management framework.

Sincerely,

[Insert Signature/Name]
[Insert Title]
[Insert Organization Name]