

**Date:** [Insert Date]

**To:** [Insert Department/Entity Name]

**From:** [Insert Risk Management/Treasury Department Name]

**Subject:** Announcement of Annual Liquidity Shortfall Stress Testing Scenarios

Dear [Recipient Name],

This letter serves as formal notification regarding the upcoming Liquidity Shortfall Stress Testing exercise for the [Insert Fiscal Year/Quarter] period.

The objective of this testing is to evaluate the organization's ability to maintain sufficient liquidity under exceptional but plausible adverse conditions. For this cycle, the following stress scenarios have been defined:

- **Scenario 1: Institutional Specific Stress** - Focuses on a localized credit rating downgrade and sudden withdrawal of wholesale funding.
- **Scenario 2: Market-Wide Stress** - Focuses on general market volatility, decreased asset liquidity, and increased haircut requirements on collateral.
- **Scenario 3: Combined Severe Stress** - A prolonged disruption involving both internal operational failures and external market contraction.

All relevant departments are required to provide updated cash flow projections and asset valuations based on these parameters by [Insert Deadline Date].

Data submission should be completed through the [Insert System Name/Portal]. Detailed technical assumptions and methodology documents are attached to this communication.

If you require further clarification regarding the scenario parameters or reporting requirements, please contact [Insert Contact Person Name] at [Insert Email/Phone Number].

Sincerely,

[Your Name]

[Your Title]

[Organization Name]