

[Company Letterhead]

**Date:** [Insert Date]

**To:** [Relevant Department Heads / Stakeholders]

**Subject:** Announcement of Severe Economic Downturn Stress Testing Scenario

Dear [Name/Team],

This letter serves as formal notification that [Company Name] will commence its annual stress testing exercise effective [Start Date]. The focus of this year's simulation is a **Severe Economic Downturn Scenario**.

**Scenario Objectives:**

- To evaluate the resilience of our capital position and liquidity under extreme market volatility.
- To identify potential vulnerabilities in our current portfolio and operational framework.
- To ensure compliance with regulatory requirements regarding risk management and recovery planning.

**Key Assumptions:**

The testing will model a period of 18-24 months characterized by a significant contraction in GDP, a sharp rise in unemployment rates, and severe disruptions in global supply chains. Specific data sets and variables will be distributed to your departments by [Date].

**Action Required:**

Please ensure that your respective teams prioritize the data collection and analysis requested for this exercise. Final reports and mitigation strategy proposals are due by [Deadline Date].

We appreciate your cooperation in strengthening our organization's financial stability and preparedness.

Sincerely,

[Your Name]

[Your Title]

[Risk Management Department / Office of the CFO]