

Date: [Insert Date]

To: [Name of Recipient/Department Head]

Organization: [Insert Institution Name]

Reference: Asset Quality Review (AQR) Remediation Directive

Dear [Recipient Name],

Following the conclusion of the Asset Quality Review (AQR) conducted on [Insert Date], this formal directive outlines the mandatory remediation actions required to address identified deficiencies in asset valuation, classification, and provisioning.

1. Identified Findings

The review identified the following primary areas of non-compliance or risk:

- [Insert Finding 1]
- [Insert Finding 2]
- [Insert Finding 3]

2. Required Remediation Actions

The institution is directed to execute the following measures:

- **Reclassification:** Update asset risk ratings for the identified portfolios to reflect current credit quality.
- **Provisioning Adjustments:** Recalculate and allocate additional Loan Loss Provisions (LLP) as specified in the attached schedule.
- **Collateral Valuation:** Conduct independent reappraisals for all non-performing exposures exceeding [Insert Amount].
- **Process Enhancement:** Formalize a revised Credit Risk Management policy to prevent future classification errors.

3. Timeline and Reporting

- **Action Plan Submission:** A detailed remediation roadmap is due by [Insert Date].
- **Implementation Deadline:** Full execution of all adjustments must be completed by [Insert Date].
- **Progress Updates:** Bi-weekly status reports must be submitted to the Compliance Department.

4. Enforcement

Failure to adhere to the timelines or requirements set forth in this directive may result in further regulatory action, including capital add-ons or administrative sanctions.

Please acknowledge receipt of this directive within [Insert Number] business days.

Sincerely,

[Your Name]

[Your Title]

[Department Name]