

[Company Letterhead]

[Date]

[Name of Regulatory Authority]

[Department/Division]

[Address]

[City, State, Zip Code]

**RE: Response to Inquiry Regarding Liquidity Coverage Ratio (LCR) Compliance -
[Reference Number]**

Dear [Name of Contact Person or Department],

This letter is in response to your formal inquiry dated [Date of Inquiry] regarding [Financial Institution Name]'s Liquidity Coverage Ratio (LCR) reporting and compliance for the period ending [Date].

1. Current LCR Position

As of [Date], our calculated LCR stands at [Percentage]%, which remains above the regulatory minimum requirement of [Percentage]%. High-Quality Liquid Assets (HQLA) totaled [Amount], against projected net cash outflows of [Amount] over a 30-day stress period.

2. Response to Specific Inquiries

[Insert specific response to the regulator's question, e.g., explanation of HQLA composition, changes in wholesale funding, or fluctuations in outflow assumptions].

3. Liquidity Management and Stress Testing

[Financial Institution Name] maintains a robust liquidity risk management framework. Our internal stress testing protocols ensure that we maintain sufficient buffers to meet all obligations under idiosyncratic and market-wide stress scenarios.

4. Supporting Documentation

Attached to this letter, please find the following documents as requested:

- [List Document 1, e.g., Detailed HQLA Breakdown]
- [List Document 2, e.g., Outflow Calculation Worksheet]
- [List Document 3, e.g., Latest Liquidity Risk Committee Minutes]

We remain committed to full transparency and regulatory compliance. Should you require further clarification or additional data, please contact [Name of Contact] at [Phone Number] or [Email Address].

Sincerely,

[Signature]

[Name of Authorized Officer]
[Title, e.g., Chief Risk Officer / Treasurer]
[Financial Institution Name]