

[Date]

[Name of CEO/Board Chair]

[Name of Institution]

[Address Line 1]

[Address Line 2]

Subject: Conclusion of Targeted Examination - Interest Rate Risk (IRR)

Dear [Name]:

This letter summarizes the results of the [Regulatory Agency Name] targeted examination of [Institution Name]'s Interest Rate Risk (IRR) management program, which concluded on [Date]. The primary objective of this review was to assess the adequacy of the institution's IRR identification, measurement, monitoring, and control processes.

Examination Rating/Conclusion

Based on our review, the institution's IRR management practices are considered [Satisfactory/Fair/Marginal/Unsatisfactory]. The overall level of inherent interest rate risk is [Low/Moderate/High].

Key Findings

- **Board and Management Oversight:** [Insert summary of oversight effectiveness, policy compliance, and risk appetite alignment].
- **Risk Measurement Systems:** [Insert evaluation of modeling techniques, including Earnings at Risk (EaR) and Economic Value of Equity (EVE) simulations].
- **Assumptions and Data Integrity:** [Insert findings regarding the reasonableness of key assumptions such as deposit betas, prepayments, and reinvestment rates].
- **Internal Controls and Independent Review:** [Insert assessment of model validation and audit coverage].

Matters Requiring Attention (MRA) / Recommendations

[List specific corrective actions required, or state "No formal Matters Requiring Attention were identified during this examination"].

Required Response

The Board of Directors is requested to review this letter and submit a written response by [Date]. The response should outline the specific actions taken or planned to address the findings noted above, including estimated timelines for completion.

We appreciate the cooperation provided by your staff during this examination. Please contact [Examiner Name] at [Phone Number] if you have any questions.

Sincerely,

[Signature]

[Name of Examiner-in-Charge]

[Title]

[Regulatory Agency]