

Date: [Insert Date]

To: [Name of Recipient/Chief Executive Officer]

Institution: [Name of Financial Institution]

Address: [Insert Address]

Subject: Formal Warning Regarding Capital Adequacy Deficiency

Dear [Recipient Name],

This letter serves as a formal notice regarding the capital position of [Institution Name]. Following a review of the financial reports submitted for the period ending [Date], it has been determined that the institution's capital adequacy ratio has fallen below the minimum regulatory requirements set forth by [Name of Regulatory Body].

Specifically, the following deficiencies have been identified:

- Current Tier 1 Capital Ratio: [Percentage]% (Minimum Required: [Percentage]%)
- Current Total Capital Adequacy Ratio: [Percentage]% (Minimum Required: [Percentage]%)
- Capital Buffer Shortfall: [Amount/Percentage]

This deficiency indicates that the institution currently lacks sufficient capital to absorb potential losses, posing a risk to depositors and the stability of the financial system. Under [Regulatory Act/Section], this status requires immediate corrective action.

Required Actions:

1. Submit a Capital Restoration Plan (CRP) within [Number] business days from the date of this letter.
2. The plan must detail specific measures to raise additional capital or reduce risk-weighted assets.
3. Provide a timeline for reaching full regulatory compliance.

Failure to rectify this deficiency or provide an acceptable restoration plan may result in further supervisory actions, including but not limited to restrictions on asset growth, dividend payment prohibitions, or more severe administrative sanctions.

Please acknowledge receipt of this letter and direct all correspondence regarding this matter to [Department/Official Name].

Sincerely,

[Signature]

[Name of Authorized Official]

[Title/Position]

[Regulatory Agency Name]