DATE: [Insert Date]

TO: Asset Liability Committee (ALCO)

FROM: [Insert Name/Department]

SUBJECT: Notification of Liquidity Shortfall and Contingency Activation

Dear Committee Members,

This letter serves as formal notification that [Insert Institution Name] is currently experiencing a liquidity shortfall. As of [Insert Date], our liquid asset ratios have fallen below the internal policy limits and regulatory requirements.

Current Liquidity Position:

- Current Liquidity Ratio: [Insert %]
- Policy Minimum: [Insert %]
- Estimated Shortfall Amount: [Insert Currency/Amount]

Primary Causes:

[Insert brief description of cause, e.g., unexpected deposit outflows, loan funding spikes, or market volatility].

Action Plan:

In accordance with the Contingency Funding Plan (CFP), the following actions are being initiated:

1. Activation of secondary liquidity reserves.
2. Suspension of [Insert specific activities, e.g., new non-essential lending].
3. Utilization of [Insert facility, e.g., Central Bank Window/Interbank lines].

The Treasury Department will provide daily updates to the Committee until the liquidity position is restored to authorized levels. An emergency ALCO meeting is requested for [Insert Time] to review further mitigation strategies.

Sincerely,

[Your Name]
[Your Title]
[Department Name]