Date: [Insert Date]

To: [Insert Counterparty Name/Regulatory Body Address]

Subject: Formal Disclosure of Interbank Market Liquidity Shortfall

Dear [Insert Name of Contact Person or Department],

This letter serves as formal notification that [Insert Institution Name] is currently experiencing a liquidity shortfall within the interbank market. This disclosure is made in accordance with [Insert Applicable Regulation or Agreement Name].

1. Nature of the Shortfall:
The shortfall is characterized by [Insert Brief Description, e.g., a temporary mismatch in short-term funding availability / unexpected tightening of interbank credit lines].

2. Cause of Shortfall:
The primary factors contributing to this situation include [Insert Reasons, e.g., market volatility, settlement delays, or specific institutional outflows].

3. Current Liquidity Position:
As of [Insert Time/Date], our liquid asset ratio stands at [Insert Percentage], which is below our internal threshold of [Insert Percentage].

4. Remedial Actions Taken:
[Insert Institution Name] has activated the following measures to address the shortfall:

- Accessing secondary liquidity facilities.
- Executing repo transactions for immediate cash flow.
- [Insert any other specific action taken].

5. Expected Resolution:
We anticipate that liquidity levels will return to normalized parameters by [Insert Expected Date/Time Frame].

We remain committed to transparency and will provide further updates as the situation evolves. Should you require additional documentation or a briefing, please contact [Insert Contact Person Name] at [Insert Phone Number/Email].

Sincerely,

[Signature]

[Full Name of Authorized Signatory]
[Job Title/Position]
[Insert Institution Name]