[Company Letterhead]

Date: [Insert Date]

To:
[Name of Regulatory Authority/Contact Person]
[Department]
[Address]

Subject: Notification of Liquidity Coverage Ratio (LCR) Shortfall

Dear [Contact Name],

Pursuant to [Insert Local Regulation/Rule Reference], this letter serves as formal notification that **[Financial Institution Name]** has fallen below the minimum Liquidity Coverage Ratio (LCR) requirement of [Insert Target Percentage]%.

1. Details of the Shortfall:

- **Reporting Date:** [Insert Date of Breach]
- **Recorded LCR Percentage:** [Insert Percentage]%
- **Total High-Quality Liquid Assets (HQLA):** [Insert Amount]
- **Total Net Cash Outflows over 30 days:** [Insert Amount]

2. Root Cause:
The shortfall was primarily driven by [Provide brief explanation: e.g., unexpected deposit withdrawal, market volatility affecting asset valuation, or specific operational event].

3. Remediation Plan:
The institution has initiated the following actions to restore the LCR to compliant levels: [Briefly list actions: e.g., liquidation of specific assets, securing long-term funding, or reducing short-term liabilities].

4. Expected Recovery:
We anticipate returning to the required LCR threshold by [Insert Estimated Date].

We remain in close contact with our internal risk committee and will provide [daily/weekly] updates until the ratio is restored. Please contact [Name] at [Phone/Email] should you require additional data or a formal briefing.

Sincerely,

[Signature]

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