Date: [Insert Date]

To: Board of Directors and Senior Management
[Insert Institution Name]
[Insert Address]

Subject: Supervisory Letter - Asset Liability Management (ALM) Examination

Dear Board of Directors,

This letter summarizes the findings of the recent supervisory review regarding [Institution Name]'s Asset Liability Management (ALM) framework, conducted on [Date]. The primary objective of this review was to evaluate the effectiveness of the institution's interest rate risk (IRR) management, liquidity risk oversight, and capital adequacy relative to its risk profile.

Examination Findings

During our review, the following areas were assessed:

- **Interest Rate Risk:** Evaluation of the sensitivity of Net Interest Income (NII) and Economic Value of Equity (EVE).
- **Liquidity Risk Management:** Review of funding sources, liquidity coverage ratios, and contingency funding plans.
- **Governance:** Assessment of the Asset Liability Committee (ALCO) oversight and policy compliance.
- **Modeling and Assumptions:** Accuracy of data inputs and the reasonableness of behavioral assumptions (e.g., deposit decay rates).

Matters Requiring Attention (MRAs)

While the institution maintains [Satisfactory/Fair/Marginal] ALM processes, the following deficiencies require formal remediation:

1. [Insert specific finding, e.g., Strengthening of stress testing scenarios]
2. [Insert specific finding, e.g., Improvement of data integrity for model inputs]
3. [Insert specific finding, e.g., Formalization of the Contingency Funding Plan updates]

Required Action

The Board of Directors is required to submit a written response by [Insert Date]. This response should include a detailed action plan, assigned personnel, and specific timelines for addressing the findings noted above.

Please contact the undersigned at [Insert Phone Number/Email] should you have any questions regarding this letter.

Sincerely,

[Signature]

[Name of Examiner/Lead Official]
[Title]
[Regulatory Agency Name]