

[Company Letterhead]

[Date]

[Recipient Name]

[Recipient Title]

[Regulatory Body or Institution Name]

[Address]

Subject: Trading Book Exposure Assessment Report - [Reporting Period]

Dear [Recipient Name],

Pursuant to [Regulatory Reference/Policy Number], [Company Name] hereby submits the Trading Book Exposure Assessment for the period ending [Date]. This document outlines our current market risk positions and the capital adequacy measures applied to our trading activities.

1. Portfolio Overview

The total market value of the trading book as of the reporting date is [Amount/Currency]. The portfolio primarily consists of [Asset Classes, e.g., Equities, Fixed Income, Derivatives, and FX].

2. Risk Metrics and Exposure

During this period, our assessment indicates the following risk levels:

- **Value at Risk (VaR):** [Amount] at a [Percentage]% confidence interval.
- **Stressed VaR:** [Amount].
- **Incremental Risk Charge (IRC):** [Amount].
- **Liquidity Horizon:** [Number of Days] days.

3. Limit Compliance

We confirm that all trading activities remained within the board-approved risk appetite limits. [Optional: Note any minor breaches and remediation steps taken].

4. Stress Testing Results

Stress tests were conducted based on [Scenario Description]. The results indicate that the firm maintains sufficient high-quality liquid assets to cover potential losses under extreme market volatility.

5. Certification

The undersigned certifies that this assessment has been conducted in accordance with internal risk management frameworks and applicable regulatory standards.

Please contact [Contact Person Name] at [Phone/Email] should you require further data or clarification regarding this submission.

Sincerely,

[Signature]

[Name of Authorized Signatory]

[Job Title, e.g., Chief Risk Officer]

[Company Name]