

# Liquidity Management Policy

Date: [Insert Date]

To: [Recipient Name]

[Recipient Title]

[Institution Name]

[Institution Address]

Dear [Recipient Name],

In accordance with our commitment to maintaining robust financial health and regulatory compliance, we are pleased to outline our liquidity management policies that guide our financial institution's operational integrity and resilience.

## 1. Objective

The primary objective of our liquidity management policy is to ensure that the institution maintains adequate liquidity to meet its obligations, while also maximizing returns on its liquid assets.

## 2. Liquidity Risk Assessment

We conduct regular assessments of liquidity risks, considering both short-term and long-term impacts on our cash flow positions.

## 3. Liquidity Sources

The institution shall maintain a diversified portfolio of liquid assets and funding sources to mitigate liquidity risk.

## 4. Monitoring and Reporting

Regular monitoring of liquidity metrics such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) will be conducted, with reports provided to senior management.

## 5. Contingency Plan

A contingency funding plan will be prepared to address potential liquidity crises, ensuring emergency liquidity access when necessary.

We appreciate your attention to this vital aspect of our operation and encourage feedback or inquiries regarding these policies.

Thank you for your continued partnership.

Sincerely,

[Your Name]

[Your Title]

[Institution Name]

[Contact Information]