

Forbearance Measures

Forbearance measures consist of concessions extended to an exposure towards a debtor facing or about to face difficulties in meeting his financial commitments in order to avoid a foreclosure. Each forbearance measure can consist of several business transactions, e.g. a decrease of the annuity rate or a deferral. The execution of these business transactions leads to an adjustment of the payment plan.

It is important that an exposure can only be forborne if the debtor is facing financial difficulties which have led the bank to make some concessions. Hence, forbearance measures are the business transactions of a crisis-related restructuring. A forbearance measure can be performed regardless of the number of days past due or the existence of any open claims. In this case, the need to carry out a forbearance measure arises solely from the expectation of the debtor's ability to meet its obligations in the future.

Deals, for which a forbearance measure was performed, are referred to as forborne exposure. For more functional information please refer to section [Forborne Exposures](#).

The following business transactions can be part of a forbearance measure for loans:

- [Add payment holiday](#)
- [Add deferral](#)
- [Set dunning stop](#)
- [Loan term extension](#)
- [Change annuity amount](#)
- [Change interest rate](#)

The following business transactions can be part of a forbearance measure for current accounts:

- [Add repayment agreement](#)
- [Change repayment agreement](#)
- [Add payment term extension](#)
- [Interest rate reduction \(documentation only\)](#)
- [Interest waiver \(documentation only\)](#)
- [Set dunning stop](#)

For each forbearance measure, the following two criteria are automatically checked:

- profitability of the forbearance measure
- significance of the forbearance measure

For more details on the profitability or the significance of forbearance measures, please refer to subsections [Profitability of a forbearance measure](#) or [Significance of a forbearance measure](#), correspondingly.