Question ID

2026_7753

Legal act

Regulation (EU) No 575/2013 (CRR)

Topic

Credit Risk – Non performing exposures / loan origination

Article

47c

COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations

Not applicable

Article/Paragraph

47c

Type of submitter

Credit institution

Subject matter

To which vintage bucket under Article 47c CRR should the anniversary date of an exposure's classification as non-performing be assigned?

Question

To which vintage bucket under Article 47c CRR should the anniversary date of an exposure's classification as non-performing be assigned?

Background on the question

Example:
An unsecured exposure is classified as non-performing on 31 March 2022.
On the reference date 31 March 2025, exactly three years have passed since classification.
Article 47c CRR defines the vintage periods as "[...]between the first day of the Xth year and the last day of the Xth year[...]"

The specific question is if the anniversary date represents:

- the last day of the previous vintage bucket (in the example the last day of year 3), or
- the first day of the next vintage bucket (in the example the first day of year 4)

Industry discussions revealed differing interpretations, mainly due to the reporting instructions for COREP template C 35.00.
COREP C35 uses the phrasing “time passed since classification as non-performing” and defines its buckets using inclusive upper limits (e.g. “> 2 years and ≤ 3 years”).
This has led some industry members to argue that exactly three years places the exposure in the ≤ 3-year bucket.

Submission date

11/03/2026

Final publishing date

03/07/2026

Final answer

Based on the example provided by the submitter, an unsecured exposure is classified as non-performing on 31 March 2022 and it is still classified as such on 31 March 2025.

Article 47c (2) of Regulation (EU) No 575/2013 (CRR) states that: ‘*For the purposes of point (a)(i) of paragraph 1, the following factors shall apply:*

(a) 0,35 for the unsecured part of a non-performing exposure to be applied during the period between the first and the last day of the third year following its classification as non-performing;

(b) 1 for the unsecured part of a non-performing exposure to be applied as of the first day of the fourth year following its classification as non-performing’.

Article 47c specifies the period to be considered for the application of the factors: “[...]between the **first day** [...] and the **last day** of the Xth year[...]”.

In the example provided, the first day of the classification as non-performing is 31 March 2022 and the last day of the third year is 30 March 2025. This implies that 31 March 2025 should be considered as first day of the fourth year and, consequently in Commission implementing regulation (EU) 2024/3117- Annex I- templates C 35 on NPE loss coverage, this exposure would be reported in the time buckets > 3 years =< 4 years.

Status

Final Q&A

Answer prepared by

Answer prepared by the EBA.
