



BANKOWY FUNDUSZ GWARANCYJNY

The payout process of guaranteed funds to the depositors' legal successors in Poland

Prague, June 2018

**The status of deceased depositor in the payout process****IN THEORY**

In the case of a depositor's death, his legal successors should be included in the depositors' list.

Not all legal successors are included because of:**IN PRACTICE**

- a bank has not been informed yet about death *or*
- the depositor's legal successors has not been determined yet *or*

A different case is when death of the depositor occurred after the guarantee condition had been fulfilled.

Payout of guaranteed funds to the depositors' legal successors

In general



Payout of guaranteed deposits are made through a bank-agent.

Exceptions include:

i.a. payout to the depositors' legal successors due to the large number of supporting documents, spread the case over time, the necessity to contact with the conservatorship prior to the begin of payout.

In the case of deceased depositors, a bank-agent accepts only applications from legal successors and inheritance documents that can be presented.



- collecting and analysis of documents from the depositors' legal successors (*including the identification of entitled persons*)
- the payout made by the BFG Office.

Polish legal norms regarding the payout of guaranteed funds to the depositors' legal successors



GENERAL
PROVISIONS



i. a. **THE CIVIL CODE** regulating succession issues in Poland *(The Act of 23 April 1964)*

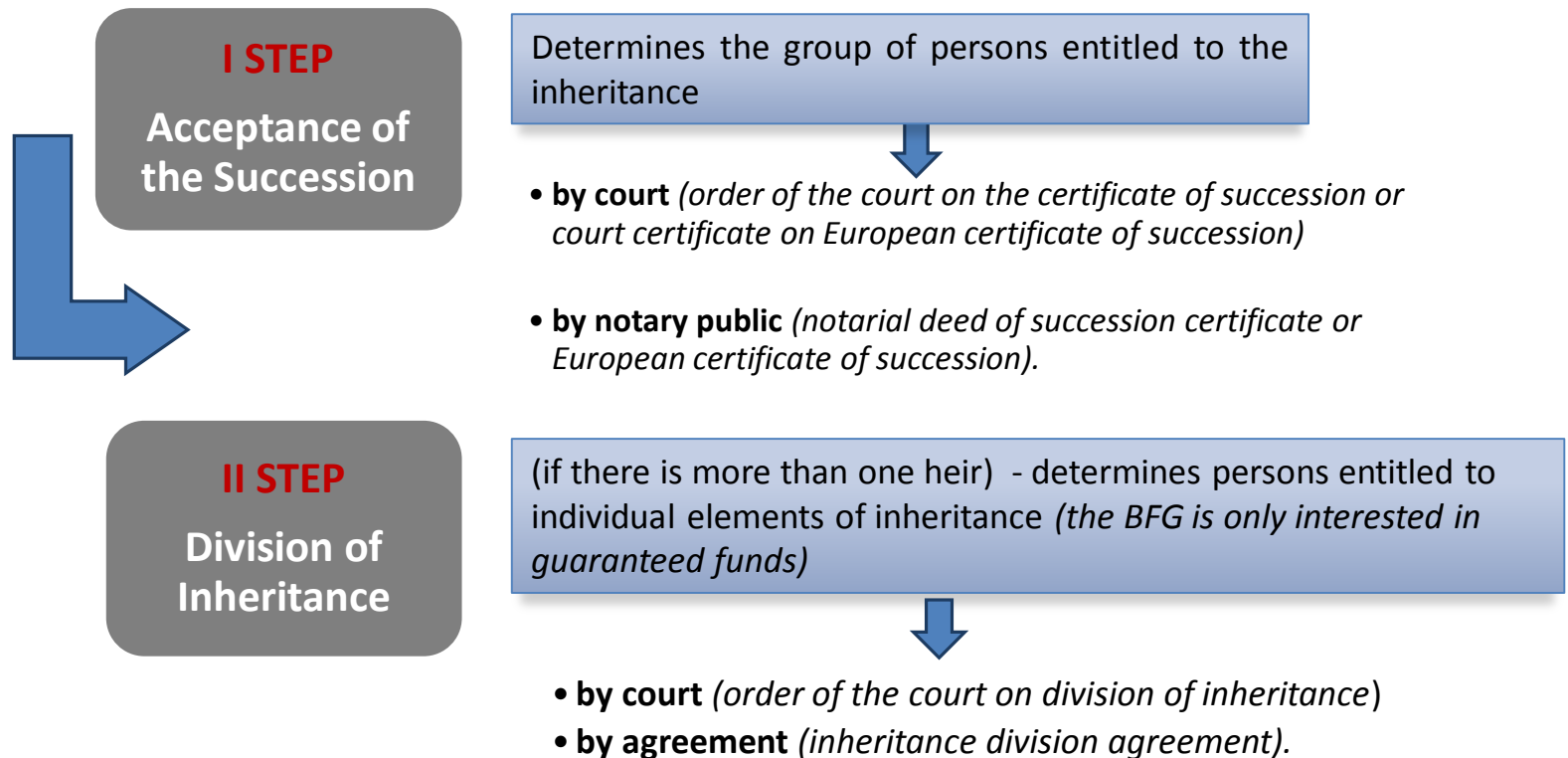
TO A LIMITED
EXTENT



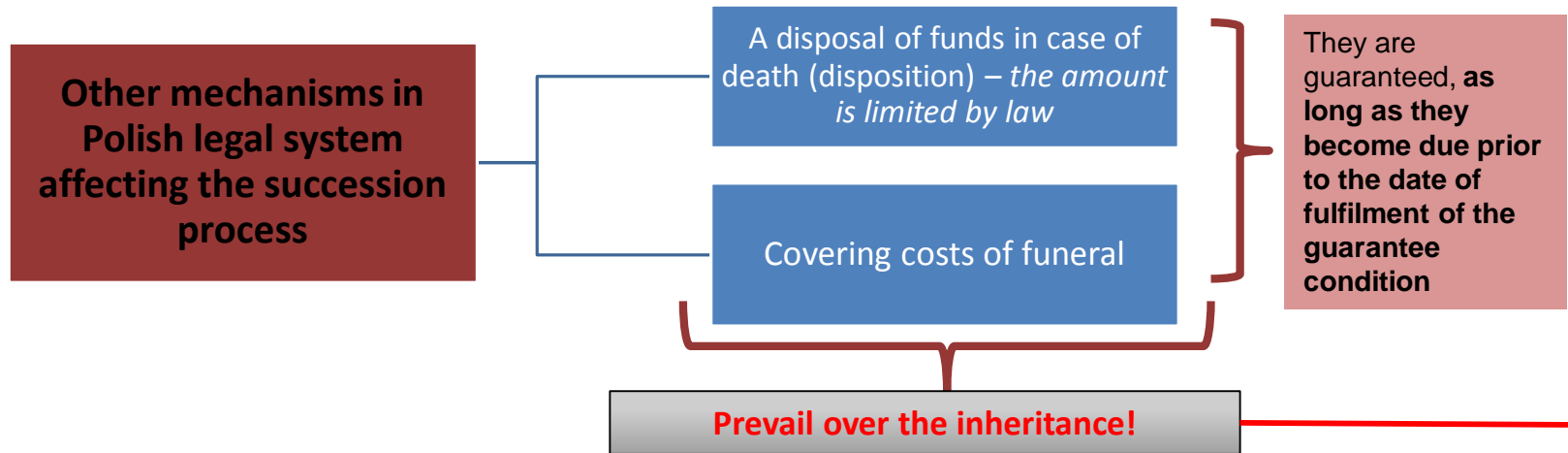
THE ACT ON THE BANK GUARANTEE FUND, DEPOSIT GUARANTEE SCHEME AND RESOLUTION *(Article 52 and 53)*

- provisions limiting the amount of guaranteed funds to one limit of 100,000 EUR if the legal successors have not been included in the depositors' list.

The process of succession in Poland



Payout of guaranteed funds to the depositors' legal successors



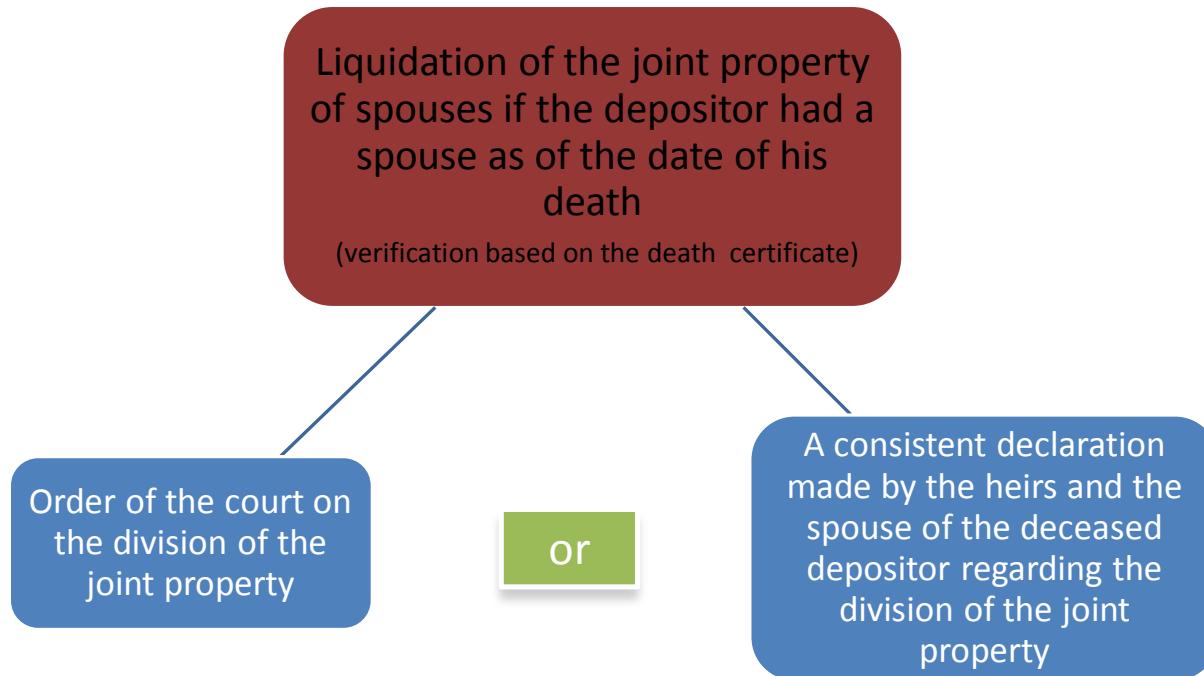
The definition of guarantee funds:

„(.....) funds covered by the guarantee protection (.....) the amount referred to in Article 55(1) point 1 and Article 56(1) of the Banking Act, subject to Article 52, as long as they become due prior to the date of fulfilment of the guarantee condition;”

According to the Regulation of the Minister of Finance of 26 September 2016 on the requirements for the calculation systems to be maintained by the entities covered by the guarantee system (Journal of Laws item 1642) (regarding SCV files), dispositions of funds in case of death should be indicated in the payout list. In all cases the BFG asks the conservatorship to check the establishment or the lack of the establishment of the disposition of funds in case of death. In the case of the establishment of this disposition the funds already paid out are verified.

Payout of guaranteed funds to the depositors' legal successors

The payout of guaranteed funds from a deceased depositor may also be complicated because of the presence of a spouse outside the circle of heirs (*in relation to so-called: joint property of spouses*). If the a spouse's share does not result from the division of inheritance, additional documents are needed:





Payout of guaranteed funds to the depositors' legal successors

The order of entitled persons to guaranteed funds in the event of the death of the depositor:

death prior to the date of fulfilment of the guarantee condition:

| | | |
|--|---|--------------|
| spouse (in the share of the joint property of spouses) | beneficiary of the disposition of funds in case of death (the amount limited by law) and covering costs of funeral | heirs |
|--|---|--------------|

death upon the date of fulfilment of the guarantee condition:

| | |
|--|--------------|
| spouse (in the share of the joint property of spouses) | heirs |
|--|--------------|

The spouse's share, the funds from the disposition in case of death as well as costs of funeral do not constitute share of inheritance of the deceased person!

Payout of guaranteed funds to the depositors' legal successors

The analysis of the payout case of guaranteed funds of the deceased depositor
(in short)

WHEN DID THE DEPOSITOR DIE ?

PRIOR TO the date of fulfilment of the guarantee condition

Has the disposition of funds in the event of death been established ?

Has the claim upon covering costs of funeral been submitted?

YES

NO

in the first place the payout for the beneficiary/ies of the disposition up to the statutory limit of this disposition, *or*

for the person who covered the costs of funeral if his claim become due prior to the date of fulfilment of the guarantee condition

UPON the date of fulfilment of the guarantee condition

Is there a spouse outside the circle of the heirs?

YES

NO

Payout for the spouse in the case if the joint property of spouses existed

Who is the heir?

Payout for the heirs

The number of inheritance cases in banks and credit unions *(examples)*

| Subject | The number of depositors who have been reimbursed* <i>(ths.)</i> | The number of inheritance cases* | |
|---------------------------------|---|----------------------------------|------------|
| The last 3 biggest bankruptcies | Case 1 | 23.4 | 32 (0.14%) |
| | Case 2 | 21.9 | 49 (0.23%) |
| | Case 3 | 27.2 | 70 (0.26%) |

* As of 31 May 2018



Thank you for your
attention.