

TESTIGOS CRISTIANOS DE JEHOVÁ

Apartado postal 132 - 28850 TORREJÓN DE ARDOZ (Madrid)

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TA March 30, 2017

TO THE BODIES OF ELDERS, CIRCUIT OVERSEERS AND ASSEMBLY HALL SERVANTS THAT HAVE ACCOUNTS IN BANCO BBVA

Re: New Agreement with BBVA for 2017

Dear Brothers:

We are writing to inform you of the new conditions that have been negotiated with BBVA for all our accounts. These will be in force until the next renewal of the agreement in December of 2017. At the same time, we are pleased to include additional information related to our business conducted with this bank.

First of all, we are truly grateful for your assistance and support in handling the countless incidents that arise with the bank. We appreciate your patient, cooperative and dignified attitude, which contributes to the dignity of our organization. From our offices and in cooperation with BBVA Office 0942 in Torrejón de Ardoz, which handles the agreement terms with us, we try to offer the best possible support and assistance.

In the attached copy of the agreement, you will see that the cost of certain services has increased, as will be explained in detail in this letter. What is the cause? As you know, significant changes have taken place in the overall financial situation. Until a few years ago, the banking institutions obtained important profits from the deposits of customers. This has been especially true in our case with BBVA, with which we have more than 1,900 accounts. However, under present circumstances, the bank cannot cover its costs by means of the balance in our accounts, so they must increase their commissions for certain services. Although this change is not always pleasant for us, we trust in your understanding and cooperation. Nonetheless, if you share your experience and discernment with us, this will help us analyze possible future adjustments.

A favorable aspect of the new agreement is that all the conditions included are centrally registered for all of our accounts. Until now, some of the conditions had to be recorded manually at one location and another. When this was not done, commissions were often charged outside the terms of the agreement, and then it was necessary to request the manual refunding of these. In many cases the refund was not possible or was only attained with great efforts. This same situation recurred again and again, until the conditions were registered permanently at all those locations. Now, as we indicate, the bank has confirmed that all the conditions of the agreement have been recorded in a centralized way for all our accounts. We believe that this technical advancement will avoid the greater part of the incidents.

Below we point out the most significant changes in the new agreement, and provide other details:

- 1. Commissions for Transfers of funds.** The cost will be 3 Euros per transfer. This does not apply to transfers between bank accounts of other congregations or circuits in BBVA in the name of *Testigos Cristianos de Jehová*, as transfers between accounts of the same titleholder are exempt. Therefore, if this is the case it should be indicated at the office that we want to carry out a “TRASPASO” between two accounts of the same titleholder and NOT a “Transferencia”. Additionally, if a transfer is carried out with the SEPA domain to an account in the European Union outside of Spain, the bank will charge an additional 10 Euros for costs of the exchange of banking data (SWIFT).

You will notice in the agreement that if the transfer is carried out by Internet, the cost will only be 1 Euro. Regarding the possibility that congregations, circuits and Assembly Halls operate through Internet, see Point 4.

Please remind the accounts servant that banking commissions should be recorded as a separate expense, using the *Gastos Generales > Comisiones bancarias* option. The following image shows an example (at the bank a single charge of 403 Euros (400 Euros to pay the supplier's invoice, plus 3 Euros commission), but in the *Hoja de cuentas* the following breakdown will appear):

GASTOS GENERALES					
Nº	Proveedor	Fecha fra.	Nº fra.	Descripción del movimiento	Importe
1	BBVA	14/03/17	-	Comisión transferencia - pago al Hotel La Posada	-3,00
2	Hotel La Posada	14/03/17	A25	Alquiler de sala para la Conmemoración	-400,00
<i>Total</i>					403,00

2. **Commission for Cashing a Check.** At some offices the beneficiary is charged a commission when a check is cashed at the teller's box. This commission is not shown in the agreement so technically it should not be charged. However, different from other commissions, this one is established at the criteria of each bank office, and sometimes the quantity of the commission also varies. The fact that this charge is determined by each local office makes it difficult to recover the commission. Even though many offices will refrain from charging it (or will be willing to return it) due to the terms of the agreement, in many cases it will be difficult to persuade the bank personnel even though the reason for our request for exemption be explained in a kind and logical way. In many cases the incident would finally have to be sent to the branch, and from there it would be passed on to Office 0942 in Torrejón de Ardoz, all of which would add up to an investment of time and resources in order to not pay or to be refunded a very small amount. We leave it up to your good judgement to decide how to proceed in such a case. However, in order to avoid awkward and time-consuming procedures, we recommend that the beneficiary deposit the check in account rather than cash it at the teller's box. Another option would be to make the payment in cash with money that is to be deposited and exchange this for a check payable to *Testigos Cristianos de Jehová* for deposit in the account itself (see *Instructions for Congregation Accounting (S-27)*, paragraph 6). In some cases one might opt to collect the check at the teller's box and pay the commission out of one's own pocket.
3. **Effective Date of the New Agreement.** Due to the fact that negotiations took considerable time, the new agreement was finally signed late in February. To facilitate matters, it has been agreed not to apply its terms retroactively from January 1 onward, but rather from the moment it was signed. Although this will mean that many congregations will have paid more commissions than are strictly due, this contribution on your part will compensate to a large extent for the commissions that the bank will refrain from claiming from the branch for the same reason. We feel sure of having your understanding regarding this point.
4. **Internet Operations.** Presently all the congregations and circuit have access through *bbvanetcash* to view the status of their accounts. Many have expressed the desire to operate through this service, which offers several advantages. For example, the charge for transfers is reduced from 3 Euros to 1 Euro. Another advantage is that it would avoid authorized brothers having to go to the bank office to order operations. Although some offices accept that only one authorized brother present the order with the two signatures required, others insist that both signers present themselves, and the fact is that we cannot object to this measure.

The branch has analyzed the possibility of operating through Internet. However, for the moment it does not seem that it would be justified to use this service. Fortunately, the volume of operations is small, especially for Type A accounts. Respecting the Maintenance accounts (Type B), which have a somewhat greater volume, the available options could be optimized with fewer trips to the bank office. Note the following recommendations: 1) Request suppliers to charge their invoices directly to the bank account. 2) Write checks to the beneficiaries rather than order transfers of funds. 3) Whenever possi-

ble, order permanent payments; in these cases, it is necessary to visit the bank office only once to order a permanent payment until further order. 4) Appoint brothers authorized for bank business from among those who can easily reach the bank office. When these measures have been applied, could the need to visit the bank office to order payments be reduced to a minimum or even eliminated? If this is the case, could the task of visiting the bank office to order payments be limited to once or twice every two months in most cases, especially if signers with flexible circumstances can be chosen? Could it also be accepted as reasonable to assume the cost of 3 Euros each for those infrequent operations? After analyzing these options, you may well conclude that it is not necessary to take up electronic banking.

This letter replaces the guidelines found in the document entitled “Convenios Bancos”, available in the Internet *Hoja de cuentas* application, which will soon be removed. Every time that the conditions of the agreement with the bank are adjusted or renewed, we will let you know about it. Please distribute this letter not only to the elders, but also give copies to all those who collaborate in the financial operations of the congregation, circuit or Assembly Hall. Being familiar with its contents will avoid unnecessary inquiries directed to the branch or the bank. When a question arises, we would appreciate it you would check through this letter before contacting our Accounting Department.

We deeply appreciate your faithful work in favor of Kingdom interests, which is also expressed in conscientious care of financial matters. Receive warm greetings and fervent Christian love.

Your brothers,

Testigos Cristianos de Jehová

Attachment