

PAYMENT SERVICE REGULATIONS

The 'Payment Service Regulations' are new regulations being introduced in the UK from 1 November 2009. The regulations largely apply to electronic payments into and out of your account and some cash payments, but not cheques or Banker's Drafts. It's important that you are aware of the resulting changes.

The key areas affected by the regulations are:

- The notice period we are required to give you if we make changes to our charges and interest rates, or terms and conditions.
- The time for electronic and cash payments to arrive.
- Faster access to your funds.
- International payments.

The terms and conditions for each of the products and services affected by the new regulations will be available at www.turkishbank.co.uk from 5 October 2009.

How the regulations affect you.

Micro-enterprises.

You will see in our terms and conditions a new term 'micro-enterprise.' You will start to see this term used in communications about your banking and it describes broadly businesses, or groups of businesses, with a turnover of under two million euros (or sterling equivalent) and fewer than 10 employees. The protections in the regulations apply to all micro-enterprises, but not necessarily to those businesses that are not micro-enterprises. However, generally we have chosen to extend these protections to all of our customers, whether you are a micro-enterprise or not. The one exception relates to a liability where different provisions will apply depending on whether you are a micro-enterprise or not and you should therefore read the relevant clauses in your new terms and conditions carefully on receipt.

Charges and interest rates.

From 1 November, 2009 we, the Bank, will give you at least 60 days notice of any changes we make to our charges and interest rates. This notice period does not apply to interest rates linked to the Bank of England base rate or other similar reference rates, or changes that are to your advantage. Charges and interest rates themselves will not change at 1 November 2009 as a result of the regulations, other than for currency accounts. See reverse for more information.

Notice period changes to terms and conditions.

We will also be letting you know at least 60 days in advance of any change to our terms and conditions. If we do not hear from you in writing before any proposed changes take effect, we will take it that you have accepted the new terms and conditions.

Payment timelines.

The new regulations require banks to process your electronic payment so that the payee's bank receives the payment within three business days following the day of your instruction. However in some cases we already meet this timescale, and where we do make payments more quickly we will continue to do so. Instructions received after cut-off times or on days that are not business days for us will be treated as having been received on the next business day. Cut-off times for the different payments and services will be available at www.turkishbank.co.uk from 5 October 2009.

Faster access to your funds.

The regulations require banks to offer you quicker access to your funds. However, as a customer of Turkish Bank (UK) you already experience the benefits of real time banking on the vast majority of transactions before the regulations take effect.

Reporting loss/theft/misuse of TeleHavale and Internet Banking Security Details

It's always been important for you to protect your security details and report their loss, theft or misuse. You must contact us as soon as you become aware that any of these have been lost or stolen, or that they have been used without your authorisation. The number to call can be found in the relevant documentation for that service.

International payments.

In future the BEN (Beneficiary pays all charges) charging option will not be available where an international payment is to a beneficiary in the EEA and in an EEA currency. Under the new regulations your available charging options will be:

- SHA (the payer pays the sending bank's charges; beneficiary pays their bank's charges) or
- OUR (payer pays all charges).

Charges are detailed in our International Payments Tariff, which can be viewed at www.turkishbank.co.uk from 5 October 2009.

The Banking Code is being replaced.

On 1 November 2009 The Banking Code is being replaced by a new set of regulations known as the Banking Conduct of Business Sourcebook (BCOBS). These new FSA regulations, and related industry guidance, will govern the way we do business with you. The full details have not been finalised yet but we will follow BCOBS and the industry guidance that is being prepared for UK banks.

- If you do not have Internet access then you can request a copy by calling us on your usual number (Call Centre 0845 602 6966). Saturdays, Sundays and Public/Bank Holidays in the UK would not be business days for us. The European Economic Area (EEA) is the European Union plus Norway, Liechtenstein and Iceland.

Our Service promise

We aim to provide the highest level of customer service possible. However if you experience a problem we will always seek to resolve this as quickly and efficiently as possible. A copy of our Complaints leaflet can be obtained in any branch or by contacting your relationship officer. The complaint procedures are also displayed on our website www.turkishbank.co.uk

30th September 09