

Headquarters

Damascus, 11/11/2012

**UNITED NATIONS
Global Compact**

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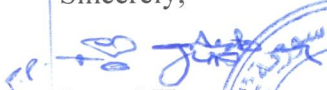
Dear Mr. Secretary General,

First and foremost, allow us to express our gratitude and appreciation for being granted the chance to be part of the UN Global Compact Program for the third year. The basic principles that constitute this program are firmly embedded in our corporate core values, which have turned the institution into what it has become today.

The Bank's value system comprising of Human Capital, Civic Role, Innovation, and Transparency, to name a few, is the cornerstone and solid foundation of all its activities, from strategic decisions to day-to-day operations. Our main values and the UN Global Compact principles, given that both intertwine significantly, are interchangeably demonstrated throughout Bank Audi Syria.

Attached herewith, is our Communications on Progress, a demonstration of how Bank Audi Syria has developed, more importantly adapted the difficult situation the country is undergoing, while maintaining compliance to its own values and the UN Global Compact Principles. As the chief Executive Officer at Bank Audi Syria, I guarantee that the principles are taken into account with every step towards the progression of our institution and its contribution to the community in which it exists.

Sincerely,


Bassel Hamwi
Chief Executive Officer
Bank Audi Syria



Bank Audi Syria
Communication on Progress (COP)
November 2012



Bank Audi Syria sa launched its operations in Damascus in September 2005, with a capital of 2.5 billion Syrian Pounds, constituting the largest start-up capital in the Syrian banking sector. Today, Bank Audi Syria has a network of 22 branches offering a wide range of banking services and products.

The Bank doubled its capital base to 5 Billion Syrian Pounds during August 2009. Following the extraordinary General Assembly meeting on May 3, 2010, Bank Audi Syria increased its capital for the second time to 5.35 Billion Syrian Pounds. In June 2011, and in fulfillment of Issued decrees, Bank Audi Syria performed a stock split 10-for-1 through the Damascus Securities Exchange bringing the total number of the Bank's shares to 57,245,000.

By holding values that overlap with the goals of the UN global compact program, Bank Audi Syria became one of the leading participants in the program, by promoting diversity, providing equal opportunity, rewarding talent and valuing teamwork, taking part in being good citizens to their surrounding communities and embracing the challenges of change. Bank Audi Syria has been focusing on building upon these principles and abiding by them with a dedicated team willing to maintain integrity, fairness and respect.

The first main goal of Global Compact is “**Human Rights**” and relates to the Bank’s Human Capital and Civic Role core values.

Among the main competitive strengths contributing to the Bank’s position, the most solid foundation is its Human Capital, which has been and will remain a cornerstone in its modernization strategy. Along with its major business objectives as a private financial institution, Bank Audi Syria capitalizes on its civic role as one of its core values. Therefore, it is reflected in the first and second principles associated with Human Rights:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Bank Audi Syria employees come from all backgrounds and are treated on an equal basis regardless of gender, marital status, nationality, physical disability, race, and beliefs. What matters most is up keeping and living with people who have industrialist minds; the Bank incites its employees to act as team players and business owners in a family-like atmosphere.

“**Labor**” is Global Compact’s second goal, under which four principles fall:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; and

Principle 4: The elimination of all forms of forced and compulsory labor; and

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Provisions of the Syrian Labor Law No. 17

Bank Audi Syria is one of the first institutions in the Syrian market to apply all the provisions of the Syrian Labor Law No. 17 which guarantees employees' rights in terms of salaries and compensations, prevents child labor and eliminates discrimination in respect of employment and occupation. The Bank respects and complies with the above four principles by implementing the Syrian Labor Law to the fullest.

Moreover, Bank Audi Syria abides by the Syrian Labor Law in terms of syndications and unions that take into consideration employees' rights to freedom of association and effective recognition of the right to collective bargaining.

Given the exceptional circumstances that the country is undergoing, and for the concern of staff safety the Bank was unable to hold the annual Iftar normally held for all Bank Audi Syria staff. To compensate, the Bank granted each employee a monetary gift for the occasion of Eid Al-Fitr.

The third Global Compact's goal is "**Environment**", encompassing the following principles:

Principle 7: Business should support a precautionary approach to environmental challenges.

The Bank's focus is to be at the forefront of innovation and service; continually maintaining standards of performance. In line with its Civic Role, the Bank is deeply convinced that any successful institution has a duty towards the community in which it exists and operates.

Bank Audi Syria made use of the holy Month of Ramadan to demonstrate social responsibility and involvement, ensuring that its efforts were directed purely towards humanitarian aid. The Bank organized an event at S.O.S Children's Village, where over a hundred meals were distributed among orphans, and another event was held where in cooperation with the Red Crescent where around 600 displaced individuals located at assigned shelters received meals over 2 days.

The Bank has set up a Business Continuity Plan which enables and directs employees to pursue their work from alternative locations, in case certain situations prevented access to the Bank's Head Office premises.

Due to current circumstances, and in concern for the safety of Bank Audi Syria employees, fire escape plans were developed at each of the Bank's branches and

headquarters to ensure employee safety in case of fires or natural disasters that require prompt evacuation of offices in an organized manner.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Bank Audi Syria was among the first institutions to launch an eco-friendly retail product under the name of Solar Panel Loan. This step was a call for action that encouraged the Syrian community to use environmentally friendly products and consume renewable energy.

On the other hand, Bank Audi Syria supported the individual initiatives its employees were taking to preserve the environment, whereby the Bank's employees were collecting plastic caps to be recycled in exchange for wheel chairs for the handicapped.

Bank Audi Syria was firm in applying the anti-smoking law. Smoking employees were completely discouraged from doing so in their offices. The anti-smoking campaign was also branded with visible "No Smoking" posters in all offices.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

The fourth goal of Global Compact is "**Anti-corruption**" with the below principle included:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Bank Audi Syria's success depends on maintaining the trust and confidence of all stakeholders (customers, shareholders, employees, etc.) through a constructive and transparent dialogue based on fairness, respect, and professionalism.

The Bank has zero tolerance policy regarding fraud and corruption. Moreover, Internal Audit and Human Resources departments are in charge of investigating every single claim of any kind of transgression.

Bank Audi Syria also carries out a non-stop mystery shopping exercise to report all breaches at the service level, leading obviously to underline and resist any attempt of corruption.

Furthermore, it is the policy of the Bank to have checks and balances available for any contract with any supplier in order to ensure that the purchasing party presents a clear bill of health.

Bank Audi Syria has shown over the years constant commitment to abide by the ten principles of Global Compact and worked hard to apply them carefully, with full

attention to every single detail. The Bank will therefore be a highly effective member of the Global Compact Committee and will lead by example all other institutions in the Syrian Market.