

**PT. Bank Mega Tbk. Communication on Progress (COP)
2009**

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Membership Date : 10 May 2006
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STATEMENT OF CONTINUED SUPPORT

The United Nations Global Compact has promoted responsible corporate citizenship through its ten principles encompassing human rights, labour, environment, as well as anti-bribery or corruption issues. Our Company truly supports these principles and has showed, here in this report, our commitment to implement them either in the present or future time. Through our participation in the United Nations Global Compact, we believe that our Company can gain positive reputation and credibility both nationally and internationally. Also, we hope to improve the employees' morale, productivity, and efficiencies. We have been moving our Company's agenda forward on performances related to human rights, labour rights, the preservation of the environment, and the active fight against corruption or bribery. We are aiming to continue following our agenda up in future time.

Jakarta, 08 April 2009



Yungky Setiawan

President Director



ABOUT BANK MEGA

Our history began with a family-owned business named PT. Bank Karman that was established in 1969 and based in Surabaya, East Java, Indonesia. In 1992, the company's name was changed into PT. Mega Bank and the Head Office was relocated to Jakarta, Indonesia. PT. Mega Bank was then taken over, in 1996, by PARA GROUP (PT. Para Global Investindo and PT. Para Rekan Investama).

In June 1996, the logo of PT. Mega Bank was changed with the aim to become a better-known banking institution trusted by the general public. Further, in 2000, after we changed our company's name from PT. Mega Bank into PT. Bank Mega, we made an initial public offering to strengthen the structure of capital. As a result, some of the bank's shares are owned by the general public.

Our company has grown rapidly in a controlled manner and has been able to take its place among the well-known banking institutions in Asia Pacific. We have received a license from Bank Indonesia to be a Foreign Exchange bank (*Bank Devisa*) allowing the bank to increase its business even further. In its effort to create and maintain a level of performance that is in accordance with the name it bears, PT. Bank Mega, Tbk. adheres to the principles of professionalism, transparency, and prudence. To date, PT. Bank Mega Tbk. has a total of 206 offices, consists of one Priority Banking office, 86 offices in Jakarta region (21 branches; 65 sub-branches), 19 offices in Bandung region (7 branches; 12 sub-branches), 17 offices in Semarang region (8 branches; 9 sub-branches), 36 offices in Surabaya region (17 branches; 19 sub-branches), 18 offices in Medan region (9 branches; 9 sub-branches), and 29 offices in Makassar region (21 branches; 8 sub-branches).

PT. Bank Mega Tbk. has received various awards at national, regional, and international levels, such as the following:

1. Awarded as a Bank with the Highest Asset Growth in Asia Pacific by Asia Week magazine in 1999;
2. Awarded as the Best Bank by Swasembada magazine in 2002 and 2003;
3. Voted as one of the Banks with Excellent Banking Service on a survey conducted by Marketing Research Indonesia in cooperation with Infobank magazine (Top 5 in 1999-2004; Top 10 in 2005-2008);
4. Best Public Listed Company in the Banking Sector in 2003 according to Investor magazine;
5. Received Best Bank award for five consecutive year (2001- 2005) from Infobank magazine;
6. Mega Visa credit card was awarded "An Outstanding Performer and Volume Growth Award" by Visa International in 2005;
7. The Best Newcomer in the BPR Linkage Program from "Kriya Pranala Award" by

Bank Indonesia in 2006;

8. "Global Transaction Services USD Straight-Through Processing Award" in 2006 from Citibank in Jakarta;
9. Yungky Setiawan, CEO of Bank Mega, was chosen as one of the Best CEO by Warta Ekonomi magazine;
10. Chairul Tanjung, President Commissioner of Bank Mega, was awarded "Marketer of the Year" by the Indonesian Marketing Association in cooperation with MarkPlus;
11. Chairul Tanjung, President Commissioner of Bank Mega, was chosen as one of the "Bankers of the Year" by Globe Asia Magazine.

Corporate Social Responsibility (CSR) Report

Our vision is to be the pride of the nation. One way to be so is to have as much contact and be as close as possible with the communities. Also, realising the importance of CSR in applying Good Corporate Governance, we are driven to provide various kinds of support for the people inside and outside the Company's environment.

Some programmes that have been targeted internally for employees at various levels are as such:

1. Special Education Programme (PRODIKSUS)

-This is an intensive, long-term programme that is aimed to improve the skills and knowledge of employees. This programme can last for a maximum of two years.

- For example:

- EMBA (Executive Master of Business Administration) is a joint programme with Asian Institute of Management (AIM) Philippines, which prepares participants for executive levels.

- ODP (Officer Development Programme) is a series of training and development programmes that are related to management succession and preparation for future leaders.

- CSTP (Customer Service and Teller Programme) and FTP (Front-Liner Transformation Programme) are created to support the office network expansion programme.



2. In-House Training Programmes

- These programmes tend to be short and focus on particular subjects. These are aimed to improve employees' abilities in carrying out their duties. The materials involved in these training programmes are relevant to which unit or department the employees are assigned in.

3. Employees' Welfare Improvement

- Employees' welfare are being taken care after by the provision of Labour Social Warranty (*Jamsostek*), various kinds of allowances (e.g., transportation, professional, and public holiday), as well as meal and overtime allowances.

Some programmes that are aimed and have been implemented to provide benefits for the communities around the Head Office and branches are as such:

1. Blood Donor Programme

- This programme is organised regularly together with the Indonesian Red Cross (*PMI*) at Bank Mega Head Office and branches.



2. Mega Sharing

- This programme is arranged to develop awareness and commitment of all Bank Mega management and employees towards their social and humanitarian responsibilities.
- The target group of this programme are orphanages, elderly people at senior citizen homes, poor, homeless, and disabled people who can be accessed by the Company.
- This programme is regularly carried out during Ramadhan and donations are given in a form of basic food (e.g., rice, sugar, or cooking oil) distribution to people with low income.
- Donations are also made in times of natural disaster (e.g., floods, earthquakes, or volcano eruptions) to the victims or affected people around the areas.



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3. Education-focused programmes

- In March 2007, a playground and libraries was officially opened for children to increase students' interest in reading.
- We built a primary school for students living in areas affected by the earthquake in Yogyakarta, Central Java, Indonesia.

- A thousand computers were donated to education institutions throughout Indonesia.



- We delivered "Banking Education Programme" to students in Al-Azhar 3 High School, Labschool Rawamangun Junior High School, Budi Luhur University, and Trisakti University in Indonesia.



PRINCIPLE 1

Business should support and respect the protection of internationally proclaimed human rights

We continually ensure that every policy concerning manpower applied in our Company is aligned with the national manpower policies, that have been endorsed by the tripartite of Company, employees (as represented by Labor Union) and Indonesian government.

We follow strict policy in providing a healthy, safe, and “working without pressure” environment. Therefore, standard regulations are followed for employees’ working hours, minimum wages, overtime payments, minimum working age. On top of that, we also provide pension programme, health insurance (covering the employees and their family), personal accident insurance, bonuses for high achievers, and Holy days allowances (e.g., Christmas and Ramadhan). We also ensure no discrimination in workplaces, on grounds of religion, ethnicity, race, beliefs, and gender (please refer to Principle 6 for more detailed information regarding discrimination issue).

Lastly, we are strong believer of people development by which every employee has the right to be trained or educated; thus, they will develop the sense of progress in their career life. Therefore, various kinds of training programmes are regularly delivered when it is considered as necessary for employees at all levels. An increase in the number of employees receiving training was observed from 2006 to 2007, and the number remained steady in 2008 (see Figure 1).

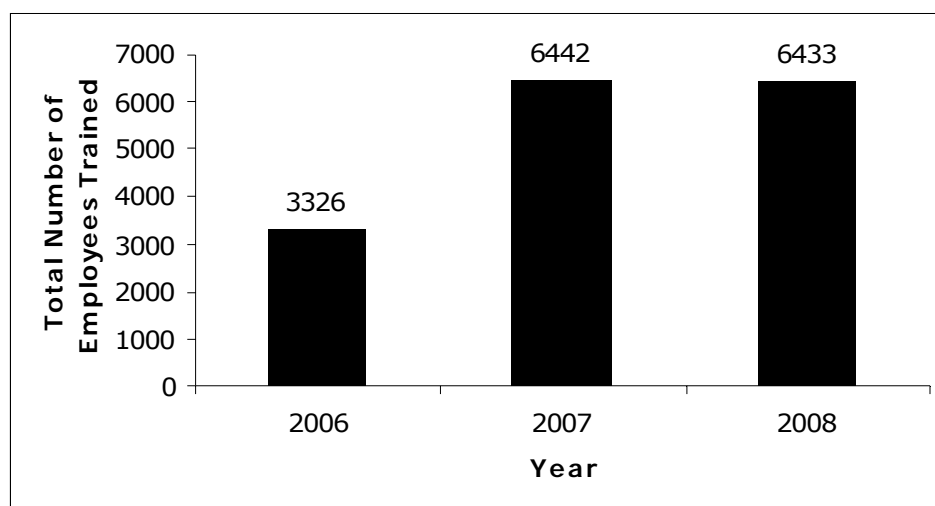


Figure 1. Number of employees who received training programmes from 2006 to 2008.

PRINCIPLE 2

Business should ensure that they are not complicit in human right abuses

Human Resources is one the most important assets of PT. Bank Mega, Tbk. Therefore, we have ensured that human rights are not ignored or abused by performing the following

actions:

1. Ensure that information regarding rights as well as obligations of employees and of the Company is as transparent as possible through a smooth and periodical system of communication, such as training or socialisation program and E-learning on Bank Mega's web.
2. Ensure that all employees are informed about various kinds of potential misconduct and its level of severity, as well as consequences or penalties associated with them.
3. Set a specific procedure needs to be followed when employees feel that their rights have been ignored or abused and inform employees this procedure.

PRINCIPLE 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

PT. Bank Mega, Tbk. strives to create and maintain healthy relationships with and among employees at various levels. Every employee is encouraged to resolve every existing conflict in the organisation or between employees through constructive discussions. In such discussion, they must describe any unfair treatment experienced or any action that contradicts with Company's rules. We believe that every employee has the right to express their concerns about their job or any other issues to their direct supervisors, who will continue delivering the matters to a higher authoritative person, such as Head of Divisions. If the existing problems still cannot be solved, employees are advised to report their problems to the National Department of Manpower (*Departemen Tenaga Kerja*).

All employees have the rights to establish or participate in religious, political, ethnic or any other groups as long as they do not intimidate and force others to follow their ideology. In addition, employees are also free to organise events for their social groups responsibly. Any act or behaviour that stands against Company's regulations will be considered as violation and its severity will be assessed seriously.

PRINCIPLE 4

Business should support the elimination of all forms of forced and compulsory labour

PT. Bank Mega, Tbk. has stated clearly in the Company regulations that office hour starts from 08.00 until 17.00 from Mondays to Thursdays. While for Friday, there is a half hour extra of lunch time; thus, working hour ends at 17.30. Employees may work outside this official working hour, however, they will only be paid for an extra of 14 hours per week. Therefore, employees and their supervisor are suggested to arrange their extra hours effectively. The Company holds the rights to schedule a certain number of hours for their employees when urgent or important matters occur. The employees, nevertheless, have the rights to refuse the assigned hours with the provision of reasonable accounts.

Employees may also work on a shift basis, for an agreed number of hours, to maintain the Company's efficiency and productivity. Lastly, employees can freely perform their religious duties, if necessary, during office hour without any penalty.

PRINCIPLE 5

Business should support the effective abolition of child labour

To comply with the Indonesian Law regarding child labour (*UU RI No. 13/2003*), we clearly state in our recruitment policy that a person should be at least 18 years old to be recruited. As can be seen from the data below, none of our employees are under 18 years old.

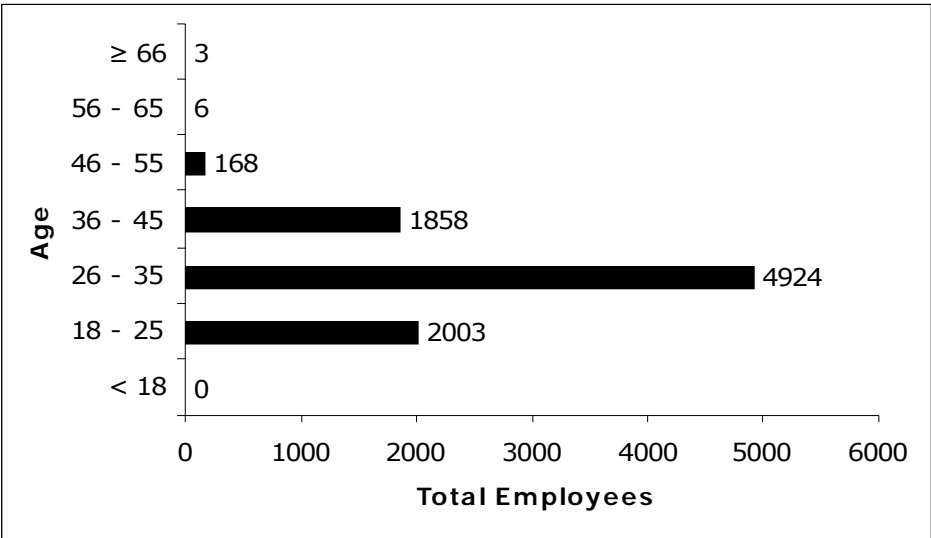


Figure 2. Employees Age Distribution as per March 2009.

PRINCIPLE 6

Business should support the elimination of discrimination in respect of employment and occupation

We stand against any form of discrimination that is founded on age, sex, religion, ethnicity, race, political affiliation, and others. We also have specifically stated in our Company regulations guide book, which is distributed to every employee, that workplace harassment or bullying will be followed by serious consequences, for examples, being discharged. Below are some Figures depicting the distribution of our employees based on religion, sex, and ethnicity. As can be seen in Figure 3 and 4, they show that the majority of employees is Muslims and originates from Java. However, this data does not indicate a form of discrimination based on religion and ethnicity. It is important to consider the fact that PT. Bank Mega Tbk. operates in a country populated mostly by Muslims and based in Java.

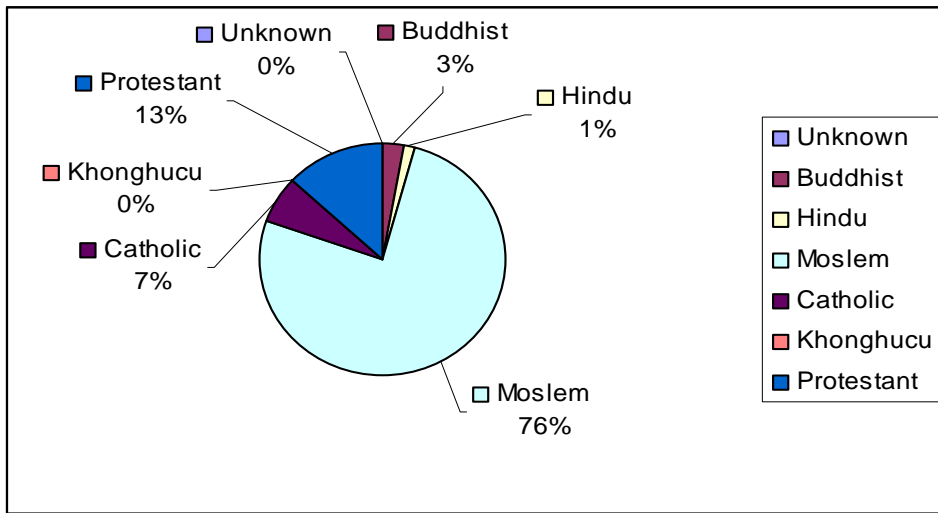


Figure 3. Total number of employees based on Religion as per March 2009.

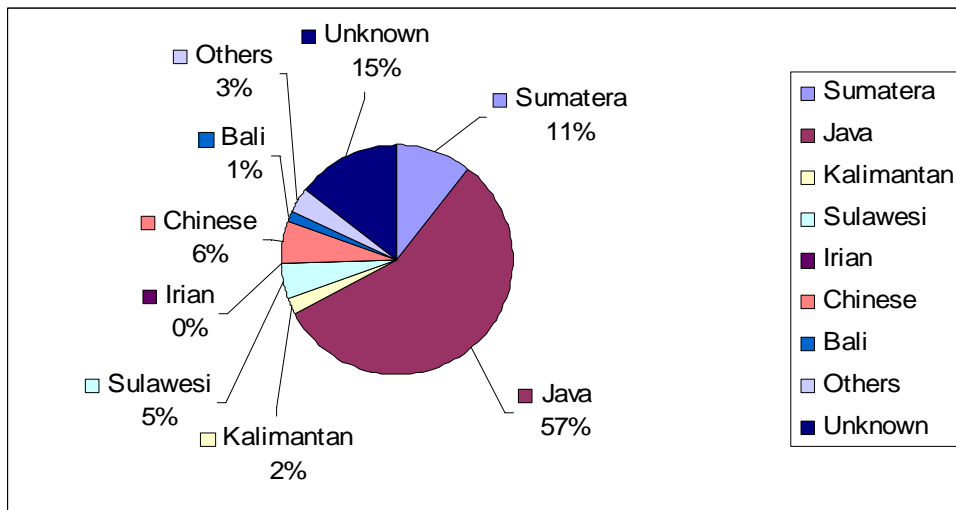


Figure 4. Total number of employees based on ethnicity as per March 2009.

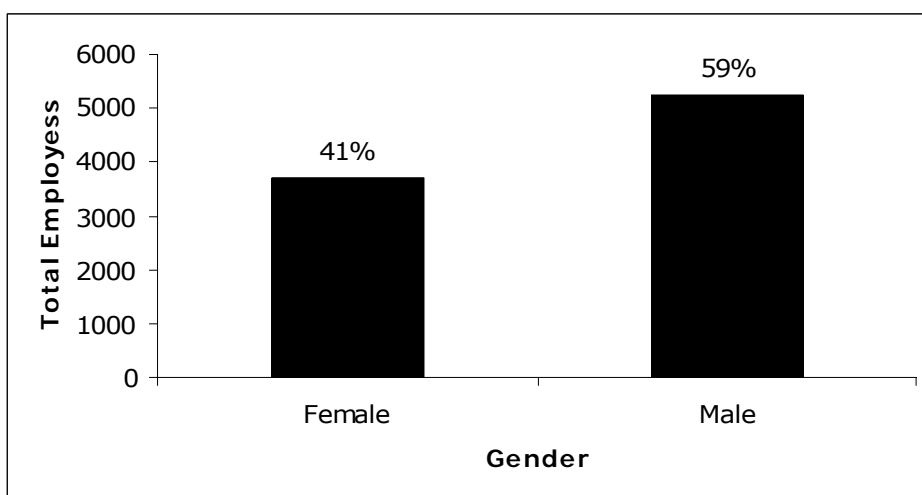


Figure 5. The proportion of male and female employees as per March 2009.

Moreover, our Company recruits its employees generally based on achievements, skills, and attitude. However, some working units may have different requirements than others

depending on the tasks entailed in the job descriptions. In regards to promotion, all employees have equal opportunities to be promoted and the assessment is made based on their achievements and contributions to the Company. As for training opportunities, the assessment tends to be made based on demands and importance for the employees.

PRINCIPLE 7

Business should support a precautionary approach to environmental challenges

At the moment, we have no committees or groups specially assigned to develop precautionary approaches to environmental challenges yet. Also, PT. Bank Mega, Tbk. has not conducted any environmental campaigns in the last two years. However, our Company takes environmental issues very seriously; thus, we are now working on a project called "Mega Green". The aims of "Mega Green" are as the following:

1. To create environmentally friendly conditions both inside and outside the Company's environment.
2. To motivate employees to find alternative actions that are more efficient for daily operations and more environmentally friendly at the same time.
3. To actively contribute to Indonesian government's environmental movements.

This programme will be socialised firstly in Bank Mega Head Office and branches around Jakarta (e.g., Bogor, Depok, Tangerang, and Bekasi). One way to introduce this programme is to create a special logo that will be posted inside and outside the buildings. As our first planned action, we will plant 1,500 trees in places which will be decided by the Company management later on. Also, we will inform our employees on a daily basis about the possible alternative actions that can be taken. We hope that "Mega Green" programme is able to improve employees' awareness of the existing environmental issues as well as the knowledge of how to preserve the environment.

PRINCIPLE 8

Business should undertake initiatives to promote greater environmental responsibility

Although there is no specific written-policy made to reduce the amount of pollution, energy, and paper consumption, our Company is committed to keep increasing our employees' environmental responsibility. We continually advise our employees to act environmentally friendly.

There are several actions that have been taken to support environment preservation. We aim to reduce freon utilisation by turning off air conditioning operating in the whole building during lunch time (11.30-13.00) and after working hours (17.30-08.00). Moreover, no lights are turned on after 19.00 unless there are still some activities going on after that time. All employees are advised to turn off their own computer before they

leave the office.

The use of recycle paper has not been implemented yet. However, all employees are advised to reuse papers to reduce paper consumption. We aim to increase the number of actions taken in supporting the preservation of environment soon after the "Mega Green" programmed is carried out.

PRINCIPLE 9

Business should encourage the development and diffusion of environmentally friendly technologies

As stated above, we have not used environmentally friendly technologies yet.

Nevertheless, we always put great concern on how to achieve Company's goal while repressing the amount of waste down to a minimum level. We hope to address this ninth UNGC principle in the future after the implementation of "Mega Green" or perhaps other environmental programme starts.

PRINCIPLE 10

Business should work against corruption in all its form, including extortion and bribery

PT. Bank Mega, Tbk. is committed not to practice corruption, collusion, and nepotism. All employees will be dismissed from the Company for taking advantages of their positions. Our Company also forbids all employees at all levels to receive gifts or compensations from customers or colleagues who has business relationships with the Company without informing their supervisors.

PT. Bank Mega Tbk. performs the following steps to ensure and monitor the implementation of compliance to Company regulations works accordingly, which in turn is expected to help preventing corruption, frauds, and bribery:

1. Appoints the Director of Compliance, as set out in Bank Indonesia regulations.
2. Forms the Compliance & Good Corporate Governance Division, Risk Management Division and Internal Audit Working unit.
3. Compiles and establishes Compliance Policy.
4. Provides information regarding prevailing regulations and monitors their implementation.
5. Monitors the application of work guidelines in every work unit and monitors updates to these guidelines.
6. Actively participates in a compliance study in relation to drafts of regulation, policy, and Standard Operating Procedure (SOP) to be applied.
7. Ensures that there is a reward and punishment system in compliance implementation.
8. Ensures that the implementation of Code of Conduct is effective.

9. Arranges training or internalisation programmes for employees to help them understand the standards of compliance; also, ensures that business transactions are executed according to the prevailing laws and regulations.
10. Supports and develops a work environment that respects the principles of compliance.
11. Avoids making recommendations and decisions/actions in opposition to the prevailing laws and regulations.

Cases suspected of having fraudulent aspects will be followed up immediately by relevant Divisions. To anticipate and prevent other fraud cases that could cause a loss to the Bank as well as to customers or employees, our Company has formed a special work unit called Fraud Banking Investigation (FBI). The FBI operates under the Compliance and Good Corporate Governance Division and investigates every potential case of fraud on a daily basis. It also provides information about banking crimes and their solutions on a periodical basis via the Mega-web network.

HOW DO YOU INTEND TO MAKE THIS COP AVAILABLE TO YOUR STAKEHOLDER?

Our Communication on Progress will be made accessible and available for public on PT. Bank Mega, Tbk.'s official website: www.bankmega.com.