The nature of transactions of related parties with government entities consisted of demand deposits in other banks, placements in other banks, securities, government bonds, other receivables - trade transactions, derivative receivables, loans, consumer financing receivables, acceptances receivables, derivative liabilities, customer deposits, deposits from other banks, acceptances liabilities, liabilities on securities sold with repurchase agreements, issued securities, received loans and subordinated securities, credit facilities that have not been used, bank guarantee, irrevocable letters of credit that are still running and standby letters of credit. In conducting its business activities, the Group also conducts purchase or use transactions of services such as telecommunications costs, electricity costs and other costs with related parties of government entities.

**RELATIONSHIP OF MANAGEMENT OR KEY EMPLOYEE TO BANK MANDIRI**

Salaries and allowances, bonuses and tantiems, long-term benefits for the Board of Commisiones, Board of Directors, Audit Committee and Risk Monitoring Committee, Sharia Supervisory Board and Senior Executive Vice President for the years that ended on 31 December 2019 and 2018 reached IDR1.369.860 million and IDR1.295.170 million or 3.45% and 3.44% of the total of other consolidated operating expense respectively.

**REASONS AND REASONS FOR THE TRANSACTION**

All transactions conducted in 2019 were performed fairly and were in accordance with normal commercial requirements. Fairness of transactions with related parties or containing conflicts of interest has been carried out fairly according to the laws and regulations. Transactions were conducted on the behalf of the Company’s needs and were free from conflicts of interest. During 2019 there were no related party transactions requiring GMS approval.