

Behind the Scenes during the COVID-19 Pandemic and Military Conflicts

Drawing on lessons learned from
unprecedented challenges towards the future

Case 1
Wuhan, China

A new infectious disease spreads in Wuhan
In-office work is no longer possible

Case 2
Shanghai, China

Infection prevention measures halt distribution systems
All paper-based processes must be shifted to digital

Case 3
Mumbai, India

City is shut down by the spread of COVID-19
In-office work is no longer possible

Case 4
Moscow, Russia

Russia-Ukraine military conflict creates geopolitical risk
Economic sanctions are imposed and cause difficulties in international remittances

Case 5
Taipei, Taiwan

Building a solid business continuity plan system based on case studies at various branches
Promoting the Operational Reform Project

This pamphlet aims to help people draw on the various lessons we have learned through recent unprecedented global crises and better prepare for future crises.

H. Take

Hidekatsu Take

Managing Executive Officer
Head of Global Corporate & Investment Banking Division

Ever since 2020, the world seems to be frequently facing unexpected events, starting with the COVID-19 pandemic. Amid such extraordinary circumstances, Mizuho Bank’s offices outside Japan have taken on many challenges, together with the understanding and support of our clients, to carry out our social mission as a financial institution. I want to ensure that all these experiences of facing unforeseen difficulties are remembered as valuable lessons and utilized to prepare us for future crises. As part of that, it is essential that these experiences are shared not only with Mizuho Bank’s employees, but also with our clients. I hope this pamphlet will serve such a purpose.

Facing a situation beyond our knowledge of crisis management

The pandemic which began in 2020 paralyzed businesses across the world and highlighted their vulnerability. At the time, I was posted in Singapore as Head of Asia Oceania, and I experienced the crisis as it happened there. The pandemic was followed by the emergence of other regional crises around the world, including the military conflict in Myanmar in 2021, the military conflict between Russia and Ukraine in 2022, and the military conflict between Israel and Hamas in 2023.

Considering our global circumstances, we must again acknowledge that various situations may occur that are unmanageable with conventional crisis management measures. For instance, during the pandemic, most employees were unable to work in the office, paper-based documents could not be delivered due to the paralysis of social infrastructure including postal services and logistics, and our colleagues who had been on international assignment from Japan were called back to their home offices. All these situations were unforeseen. Meanwhile, the pandemic was also an opportunity to reconsider the usefulness of digital tools that enable remote working, such as online banking services. Governments across the world dealt with the pandemic in diverse ways according to their local situations. No one knows in which country and under what circumstances the next crisis may arise. Nevertheless, preparing ourselves for unforeseen situations in advance by drawing on the lessons we learned in the countries where we particularly faced difficulties in dealing with the crisis will lead to expanding our crisis management knowledge.

Importance of four-way collaboration between our clients and Mizuho Bank and between offices in and outside Japan

It was an invaluable experience to learn the importance of being able to flexibly respond to a situation without solely relying on a

business continuity plan (BCP). During the early part of the pandemic, for example, we were required to adjust our infection prevention measures, as the degree of the regulations greatly differed in each country. The key factor in overcoming each challenge was the collaboration between Mizuho Bank and our clients’ local offices in sharing information and adapting to new circumstances.

There were cases in which Mizuho Bank in Japan provided support to our offices outside Japan, and our clients presumably went through similar experiences. There were also cases in Japan in which Mizuho Bank collaborated with a client’s head office to address any issues at hand.

In other words, the close communication between the four parties—Mizuho Bank’s offices outside Japan and our clients, along with Mizuho Bank in Japan and our clients—became a critical element in overcoming the global crisis. This realization is the very reason why I decided to create this pamphlet: to share with our clients the lessons we learned through our experiences.

Deepening ties with our clients to prepare for unpredictable risks

Above all, Mizuho Bank’s offices outside Japan were able to overcome the unprecedented crisis due to our clients’ understanding and cooperation. Having said that, there were many times in which we caused them inconvenience. I would like to take this opportunity to express my sincere gratitude for our relationship. As we live in unpredictable times, we must continue to prepare for various crises by strengthening our bank’s business structure, and further deepening collaborative ties with our clients. I hope this pamphlet will be a good start.



Case 1

A new infectious disease spreads in Wuhan
In-office work is no longer possible

Case study

Wuhan, China
January 2020

Mizuho Bank employees and clients are unable to work in-office. Difficulties arise in carrying out transactions, including deposits, loans, and remittances received in advance.

Early stages of the pandemic

A new infectious disease, later named COVID-19, emerged in Wuhan in December 2019. What was the local situation like? Around mid-December, we first heard a rumor of a pneumonia outbreak in one area in Wuhan. Eventually, a disease similar to SARS (Severe Acute Respiratory Syndrome) began spreading in the city, leading to mass infections. Due to this situation, I gave instructions to all 44 employees of our Wuhan office to wear masks and buy sanitizer. At the time, people mocked me for overreacting. Looking back, however, I think it was the right initial response from a crisis management perspective. The number of patients being treated in Wuhan's hospitals increased day by day.

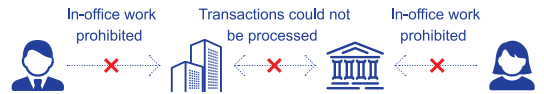
Both employees and clients are unable to work in-office
Administrative processing became impossible

Movement restrictions were imposed on January 23, 2020. In the early morning hours, at 2am, the government announced it would impose movement restrictions eight hours from then, at 10am. I received a call about this at 6am, from the Joint General Manager. It really caught me off guard.

How did the movement restrictions affect bank operations? I had hoped the restrictions would be lifted within a week, after the Chinese New Year, but the government announced they would be extended. Since all public transportation stopped completely, not only were we unable to go to the office, we were not even able to leave our homes. During this time, all public transportation, financial institutions, and commercial facilities completely halted business. In-office work was prohibited for our employees and clients, so any transactions we had received in advance (deposits, loans, repayments, and remittances) could not be processed. For online banking services, it was difficult to process transactions on the same day, as we were unable to confirm our clients' one-time passwords.



Shinichi Yamaguchi
General Manager
Suzhou Branch
Mizuho Bank (China), Ltd.
(former General Manager of Wuhan Branch)



Due to movement restrictions, financial institutions and clients were prohibited from in-office work, creating difficulties in processing for many transactions.

Proper execution of business continuity plan through daily training

How did the bank respond to the situation? We transferred a portion of the administrative work to the operations office in Hongqiao, Shanghai for alternate processing. For some of the processing that could be done remotely, authorization was given to relevant Wuhan office employees to process transactions from home. From a business continuity plan perspective, we had already gone through preparation and training such as arranging laptops and tablet computers for our employees, and we had experienced



working remotely once or twice a year, so we managed to maintain our banking functions smoothly. Moreover, for our clients in the cities of Chongqing and Chengdu, we arranged to have their accounts transferred temporarily to local banks to prevent financing problems.

Lessons learned from the pandemic

Please explain how far online banking services were implemented and the effects. Almost 100% of our Wuhan Branch clients had registered for online banking services. But there were a certain number of clients who were not using the service, claiming it was easier to go to the bank because it was very close or because official seals were necessary for processing transactions. After the movement restrictions were imposed within the city, it became clear to everybody that transactions could be processed as



In the wake of the movement restrictions, nearly 100% of clients in Wuhan now use online banking services.

long as they were authorized by the manager, without official seals or in-person attendance at the office. Clients who had not used online banking up until then realized how useful it was, and nearly 100% of our clients now use the service.

What are some points you think you could have done better or lessons you have learned from this experience? Our Wuhan Branch had a backup office for emergencies, but since that office was located in the same city, it was useless during the movement restrictions. So, we learned the importance of enhancing backup functions in remote areas. It is also vital to increase the number of transactions that can be processed while working from home.

Additionally, from the standpoint of improving efficiency, while the current trend is to centralize all administrative processing in one place, I feel we should share expertise in administrative processes across every office to ensure preparedness during a crisis. As Mizuho Bank also has centralized administrative processing in Shanghai, we must develop our personnel by sending employees from each of our offices to receive training on administrative processing, while we also work on improving efficiency.



Lessons learned from this case study

- 01 Initial crisis management response must be quick and also prioritize ensuring employees' safety
- 02 Enhance backup functions by accounting for various risk scenarios matched to the characteristics of each office

Case 2

Infection prevention measures halt distribution systems All paper-based processes must be shifted to digital

Case study

Shanghai, China
March 2022

Movement restrictions are imposed, transportation systems shut down, and the rise in COVID-19 infections halts distribution systems and severely disrupts banking operations.

The Operations Department of Mizuho Bank (China) is in charge of all administrative processes across mainland China

Please explain the functions and main duties of your department.

Our department has around 170 employees and is in charge of administrative processing for Mizuho Bank (China), the Shanghai Head Office, and 10 other offices. Our main duties involve keeping account records, processing foreign payments, and drafting reports to Chinese authorities for loans, deposits, remittances, and import/export documentary trades. Before the COVID-19 pandemic, we processed between 200,000 to 230,000 transactions per month. We also examine plans to enable banking services to continue during crisis situations, while advancing projects to enhance efficiency in the bank, comply with SWIFT ISO (with the change of format for cross-border transactions announced by the Society for Worldwide Interbank Financial Telecommunication (SWIFT)), and improve other areas.



Naozo Nakagawa
General Manager
Operations Department
Mizuho Bank (China), Ltd.

Infection prevention measures cause major disruptions to paper-based operations

What was the crisis situation like?

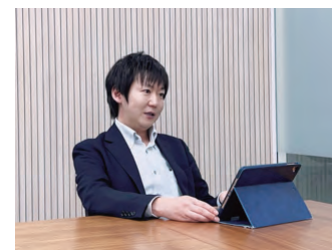
The movement restrictions began in January 2020, in the city of Wuhan in inland China, due to the COVID-19 outbreak. This was followed by infection prevention measures, including

movement restrictions, being imposed in several other cities in China. In Shanghai, between March 28 to June 1, 2022, we were not allowed to leave our apartments or enter any offices anywhere in the city. We were also required to take daily PCR tests to check if we were infected. While we were able to have employees on hand during this period, because no one was allowed to leave their apartment and go to the office, we had to process transactions by having employees access the bank's administrative processing system from their homes with either a laptop rented out by the company or their personal laptop.

But the infection situation did not subside with these measures. From mid-December 2022 to the year-end, infections spread across mainland China. Among our employees, more than 70% caught COVID-19 and developed high fevers.

What impacts did this situation have specifically?

When movement restrictions are imposed in a given area, the number of employees allowed to work at the office is limited, and remote work reduces processing capacity to a certain extent. In terms of society on the whole, the halt in distribution systems, including mail delivery, caused major disruptions in operations, even extending to paper-based compliance audits for foreign currency remittances and to import/export document processing for the delivery and acceptance of packages.



Kosei Miyata
Manager
Operations Department
Mizuho Bank (China), Ltd.

Capacity for administrative processing and handling clients' settlement needs

How did you adjust to this situation?

The RMs of each office asked their clients about external settlement needs. Following a comparative review of same-day processing capacity, the RMs worked out the priorities and distributed the work amount as much as possible. Also, in order to process transactions through a remote access environment, we asked some clients to prepare compliance and audit-related materials, which are usually paper-based, in PDF format instead. In this way, we focused on our major role as a banking institution in maintaining settlement functions.

How did you confirm the capacity for transaction processing?

Ever since transportation restrictions were imposed in 2020 in Wuhan, we have continued to train our employees to work remotely as an infection prevention measure. Through this experience, we generally understood the decline in the amount of processing capacity during remote work, and we could discuss with our RMs how to handle the situation accordingly. However, during the period from March 28 to June 1, 2022 in Shanghai, economic stagnation resulted in an overall decrease in settlement transactions. In addition, some clients cooperated with us to spread out their transaction processing dates, so we managed to stably continue operations.



Satoshi Hattori
Manager
Operations Department
Mizuho Bank (China), Ltd.

Importance of having the skills to adapt and deal with unpredictable situations

If you could go back in time, is there anything you would do differently?

With a sense of urgency that something similar to Wuhan may happen again, we took all possible countermeasures, including building a system to allow remote access. Although the measures were not perfect, they became foundations for helping employees and clients overcome the severe conditions we faced across an extended period of time. The system was utilized when Shanghai imposed various restrictions as infection prevention measures, and when the virus spread throughout the mainland. This experience became an incentive to improve our future crisis management skills. We cannot predict what we cannot predict. If we went back in time, it would be no different. What is important is to prepare as much as possible on an ongoing basis and to foster the capacity to adapt when an unexpected situation actually occurs.

What would you propose to clients after experiencing the pandemic?

Among our clients that usually carry out transactions by paper or mail, there were some for which the transfer to digital did not go smoothly. In order to continue business when various restrictions are imposed for infection prevention measures, I think it is extremely important for clients to use online banking services in their daily operations and to advance digitalization and efficiency. I hope clients will consider this as part of strengthening their ability to respond to crises.



Lessons learned from this case study

- 01 Having an ongoing crisis awareness and preparing in advance as much as possible
- 02 Advancing digitalization and efficiency in daily work

Case 3

City is shut down by the spread of COVID-19 In-office work is no longer possible

Case study

Mumbai, India
March 2020

The city imposed a large-scale lockdown over the COVID-19 pandemic. In-office work became impossible, and some public services, including postal services, were shut down.

Lockdown order shuts down all shops and offices

Please describe the situation in India at the time.

In March 2020, a strict lockdown was imposed due to the surging COVID-19 pandemic. A stay-at-home order was enforced, shutting down all shops and offices in the city. In April, as the outbreak intensified, many Japanese companies, including Mizuho Bank, moved their Japanese employees outside the country.

How was the situation at the Mizuho Bank offices in India?

Mizuho Bank has five offices in India. As bankers were regarded as essential workers (people working in industries deemed essential to ensure social functions), we were able to work at the office and did not stop operations. Even so, only about 30% of the employees worked in-office. By May, all of the Japanese employees working in India were called back to Japan, and we continued our work from Japan by communicating with local employees in India.



Because most Japanese employees who had been on international assignment were called back to Japan, banking operations were carried out through collaboration between the five offices in India and offices in Japan.

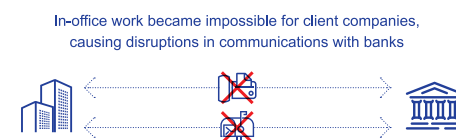
Along with in-office work no longer being possible, postal services were delayed, causing disruptions in processing transactions



Makoto Kakinuma
Joint General Manager
India Administration Department

How was the situation for Japanese companies in India?

It seemed that no one was allowed to go to the office due to the lockdown. The major issue companies had was how to handle paperwork with their banks. As India is a huge country, most clients do not come to the bank in-person and instead handle transactions by mail, fax, or other methods. Due to the pandemic, postal services were delayed, and fax services became useless without employees in the office to check them. The ratio of clients using online banking services was still low back then, and consequently our clients faced difficulties.



The low ratio of clients using online banking services caused many disruptions.

Flexible service making clients a top priority

Were there any cases of delays in transactions?

It was difficult to handle things as usual given the clients' situations and the limited number of Mizuho Bank employees able to work



Lockdown in India

in-office. We carried out operations by setting priorities in consultation with our clients. We also closely shared information with the regional Head Office in Singapore, held advance discussions, and developed countermeasures, including a worst-case scenario for if it became challenging to continue banking operations. Due to these efforts, we were able to support our clients with confidence. I think we were able to gain clients' understanding because the situation led to confusion across every part of society.

What was the state of clients' use of online banking services at the time?

Clients who had already registered for the Mizuho Global e-Banking (MGeB) service were using it fully. That service is highly beneficial in situations like this. At the time, only about 60% of our clients had registered, and now more than 90 percent are using it.

Developing a detailed business continuity plan (BCP) and, more importantly, implementing training regularly and reviewing the plan

Based on the lessons learned through this crisis, what sort of preparations should clients be undertaking?



MGeB is highly beneficial for clients during a crisis. More than 90% are now using it.

It is important to implement detailed BCP measures that assume resources such as postal services and faxes may be shut down. It is also important to develop a contingency plan for when authorizers are unable to sign paperwork, such as when in-office work is no longer possible. Based on this, it is absolutely necessary for clients to utilize online banking services.

Finally, do you have any message to clients?

Most companies have recently prepared BCP measures, but no matter how detailed such plans may be, they are not easy to execute during a crisis. I fully realized this in India. BCP training and review must be carried out regularly. I will utilize the lessons learned and communicate to my colleagues the importance of always staying conscious of BCP.



Lessons learned from this case study

- 01 Online banking services are highly beneficial during a crisis
- 02 Always stay conscious of BCP and carry out BCP training and review regularly

Case 4

Russia-Ukraine military conflict creates geopolitical risk Economic sanctions are imposed and cause difficulties in international remittances

Case study

Moscow, Russia
February 2022

As risks increase with the military conflict, Japanese employees depart the country. International remittances are delayed, and difficulties arise in funds transfers between Japanese companies' local subsidiaries and head offices.

As risks increase with the military conflict, many Japanese employees depart Russia

Please describe the situation in Moscow at the time.

Moscow was facing a growing risk with the Russia-Ukraine military conflict on February 24, 2022. After a notice was issued by the Japanese government, many Japanese people living in Moscow left for other locations. The Russian economy also fell into chaos over sanctions imposed by Western nations, along with the defensive measures taken by Russia.

What was the situation like at AO Mizuho Bank (Moscow)?

Within just a month after the outbreak of the military conflict, our employees on international assignment left Moscow one after another. Meanwhile, local employees continued to work almost normally. I think other Japanese banks faced the same situation as well.

Economic sanctions caused delays in international remittances, and restrictions were imposed on funds transfers

Did Japanese corporate clients in Russia face the same situation?

Around 60% of the companies were facing a similar situation. For the remaining 40%, the Japanese employees, either on international assignment or hired locally, remained in Moscow.

What kind of crises did Japanese companies face as a result?

First, there were either delays to or suspensions of remittances in and out of Russia. Due to the economic sanctions imposed by Western nations, there were successive cases of remitting banks being unable to handle remittances to Russia or of remittances being cancelled by intermediary banks.

What were the impacts of Russia's countermeasures?

This was the second problem we faced. As Russia tightened restrictions against the companies of "unfriendly countries", funds transfers by Japanese companies were either restricted or suspended.



Tomoyuki Mitani

Director, Manager for Relationship Management
AO Mizuho Bank (Moscow) Support Team
Global CIB Coordination Department (Dubai)

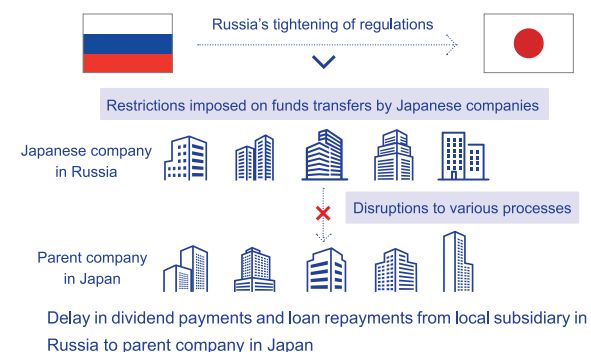
Yuki Kondo

Director, Manager for Treasury Management
AO Mizuho Bank (Moscow) Support Team
Global Markets Coordination Department (Dubai)

These measures affected our operations by causing delays in dividend payments from local subsidiaries in Russia to their parent companies in Japan and in loan repayments between subsidiaries and parent companies.

Did this also affect transaction procedures?

Yes, they were greatly affected. Transactions could not be processed smoothly due to the departure of authorized signatories from Japan. The worsening postal situation made it difficult to reconfigure procedures for authorized signatories. All postal services from Russia to Japan were suspended, and there were even delays in domestic postal services within Russia.



Moscow under heightened risk due to military conflict

Building a collaborative system between Moscow and Dubai to enable timely services

How did Mizuho Bank respond to this situation?

Our Japan employees initially assigned to Moscow were moved to Dubai, rather than returned to Japan, in order to enable ongoing collaboration with local employees in Moscow. The reason we chose Dubai was because of the small time-zone difference, which enabled us to promptly serve our clients.

What measures were taken for the various regulations imposed both domestically and internationally and for the delays in remittances?

Due to the additional economic sanctions imposed domestically and internationally, we are unable to handle some transactions that were accepted in the past. Moreover, with respect to the delay in remittances, measures taken by banks that intermediate remittances differ depending on the countries' relationship with Russia—whether or not they are regarded as a "friendly" or "unfriendly" country. We have worked to swiftly gather such information and to give our clients a range of options that do not evade sanctions. Examples of these options include changing the remitting bank or the remittance currency.

Please explain the current state of clients' use of online banking services.

As mentioned earlier, I think using online banking services is crucial to avoid the problem of authorized signatories. Before this crisis, around 85% of our clients in Moscow used online banking, but now, almost all of them do.

Hedging risk by opening multiple bank accounts at international and local banks

Based on the lessons learned from this crisis, how should clients prepare?

In Russia, all international remittances from local banks were stopped following the imposition of sanctions by Western nations. The local subsidiaries of Japanese companies experienced major impacts on their transactions, partially because some of them only had accounts with local banks. For compliance reasons, it is now difficult to quickly open new accounts at Japanese banks. Anticipating such a situation, in countries and regions with geopolitical risk, clients should take risk hedging measures by opening multiple bank accounts with international and local banks.

Also, another risk that must be considered is that of restrictions suddenly being imposed on funds transfers.

Lastly, do you have any message to clients?

While we strive to take every possible precaution, there were times when remittances were delayed. Nevertheless, our clients were cooperative and understanding, which made us realize how important it is to have trusting relationships. Even Russia, which has a comparatively well-organized financial infrastructure, can fall into such a crisis. Accordingly, in countries and regions with particularly high levels of geopolitical risk, it is even more crucial to develop a detailed business continuity plan.



Lessons learned from this case study

- 01 Importance of risk hedging by opening multiple accounts in addition to those at Mizuho Bank, at both international and local banks
- 02 Stay up-to-date on economic sanctions for countries and regions with geopolitical risk, assume a risk of restrictions on funds transfers between Japanese companies' local subsidiaries and head offices in Japan
- 03 Prepare for the absence of authorized signatories, increase the number of authorized signatories, and use online banking services

Case 5

Building a solid business continuity plan system based on case studies at various branches

Promoting the Operational Reform Project

Case study

Taipei / Taichung / Kaohsiung, Taiwan
June 2022

Sense of risk about the amount of paper-based documents

Advancing paperless operations and digitalization to be ready for crises

Utilizing experience at Beijing Branch to manage offices in Taiwan

Can you first describe the situation at your former workplace at the Beijing Branch?

Our office building was shut down due to the COVID-19 pandemic. We were informed at midnight that the building would be closed, so we had to figure out how we would manage the office from the next morning. We determined the minimum number of employees necessary to continue business, assigned who would be in charge, and negotiated with our landlord and the authorities. Afterwards, entry to the building was limited to 5% of employees. As we had around 130 employees, only six employees were allowed to go to the office at any given time. We continued to carefully negotiate with the authorities on the necessity of continuing operations and on the number of in-office staff that would be allowable under the infection prevention measures, and we managed to secure permission to have up to 30 in-office staff. Under these limitations, we continued our business and provided services by determining the feasibility of various operations and the processes that we could or could not transfer to other offices.

Please explain the issues and lessons learned under such a crisis.

One issue was that we could not confirm transactions that had to be processed on the next day unless we went into the office. We decided to share the list of unprocessed transactions by enabling everyone to confirm them on their tablets. Also, we reaffirmed the importance of regularly clarifying who is responsible for what in the event of a crisis. While everyone is aware of their own responsibility, it is important to further clarify the details of everyone else's responsibilities. In addition, we reaffirmed the importance of having a secure emergency contact network. Through our business continuity plan (BCP) training, we had gone through the steps of how to contact each other; however, when an actual crisis occurs, there are times when ambiguous words or sentences can create slight gaps in perception and behavior. I fully realized the need to restructure the BCP and clarify ambiguous points from the



Atsushi Murata

General Manager

Taipei Branch / Taichung Branch / Kaohsiung Branch

standpoint of the people receiving the information. These experiences and lessons learned at Beijing Branch are currently being utilized in the management of our offices in Taiwan.

Digital transformation through shifting from paper-based to paperless

How was the situation at the Taiwan offices during your assignment?

When I was transferred from Beijing to Taiwan in June 2022, although the COVID-19 pandemic was gradually subsiding, people were still getting infected. In order to continue our business operations, we had to take measures to prevent cluster outbreaks. If all employees of a certain department got infected, all operations in that department would come to a stop, so, we implemented split operations by spreading out the members of each department, having some of them work in conference rooms and some of them work in other rooms.

In the beginning of your assignment, what were the issues and what was the sense of risk you had in Taiwan?

There was so much paper-based documentation. Our Taiwan offices maintain solid and steady operations, and we take



Paperless/digital operations at the Taiwan offices enable remote work

pride in our high level of administration. However, if work remains paper-based, operations may stop in the event that employees cannot work in-office during a crisis. As Taiwan is prone to earthquakes and typhoons, drawing from our experiences in Shanghai and Beijing, we started examining with our employees how to continue operations and provide client services during a crisis involving restrictions set on in-office work. The conclusion we reached was that we needed to shift from paper-based to paperless/digital operations.

Operational Reform Project Team launched

After shifting from paper-based to paperless/digital operations, what particular points have you found are effective during a crisis?

Our communication with our clients was mainly fax-based. There were so many paper-based documents, so we had no

choice but to go to the office. But if these documents were digitalized, it would enable employees to continue operations from home. By November 2022, we had launched the Operational Reform Project Team to advance paperless/digital operations at our offices. The aim was clear: to secure a BCP system that would allow for full remote work. We have moved forward our initiatives by identifying paper-based trade flows with clients and workflows within the office and by identifying what operations can be made paperless/digital.

Shifting to paperless/digital operations leads to increased use of online banking services.

Yes, but our aim is not just to have clients use Mizuho Global e-Banking (MGeB). We want their use of the MGeB to reduce the amount of paper consumed in our business. Over the past year, we have worked on recommending to our clients to register and use MGeB, cautioning them that we will not be able to process paper-based documents during a crisis. As a result, the number of fax transactions, which was at about 2,400 per month, has been halved to 1,200. We hope to end all paper-based transactions by the first half of 2025. Meanwhile, about 80% of our internal administrative processes have become paperless/digitalized. With some exceptions, we aim to achieve paperless/digital operations for internal processes by the first half of 2024.

Lastly, do you have a message to clients?

We strive daily to fulfill our mission of providing social infrastructure. We aim to build a system which provides financial services that meet clients' needs during any crisis. However, this cannot be realized solely by the bank, as we need the understanding and cooperation of our clients as well. Our online banking service is a tool that enhances convenience and efficiency. I hope clients recognize the necessity and benefits of using online banking services not only during a pandemic but also for natural disasters such as typhoons and earthquakes.



Lessons learned from this case study

- 01 To prepare for the future, we must review the situation of other offices and work to advance BCP systems
- 02 In order to enhance the BCP system, we must systematically examine it on a regular basis, as it takes time to reform operational processes

Operational impacts during a crisis and effective responses learned from dealing with past crises

Anticipating various risks and emergencies and implementing regular review and training

Regular pre-crisis preparations

Would your business operations continue if tomorrow you were no longer able to go to the office/backup office, access certain infrastructure, reach your authorized signatories, or freely transfer funds? Can your business system and administration withstand a crisis? It is vital to regularly share the case studies of offices that have faced crises as a way of disseminating their expertise and raising crisis awareness; to organize and review a contingency plan for crisis response; and to implement BCP training.

01

Using online banking services to reduce risk

Details on Mizuho Global e-Banking

https://www.mizuhogroup.com/bank/what-we-do/cash_management/e_banking

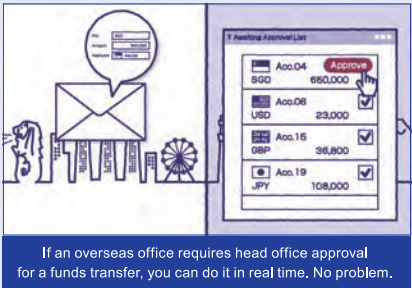
Mizuho Global e-Banking

Search



Mizuho Global e-Banking provides the resilience to continue business from anywhere

Online banking services are effective for continuing business in the event of an unpredictable situation, such as when in-office work becomes impossible or when postal services are suspended. For crisis readiness, we recommend using online banking services regularly and investing in accelerating digitalization and improving efficiency.



02

Hedging risk by opening multiple accounts with Mizuho Bank, other international banks, and local banks.

Necessary to decrease risk by opening multiple accounts in advance

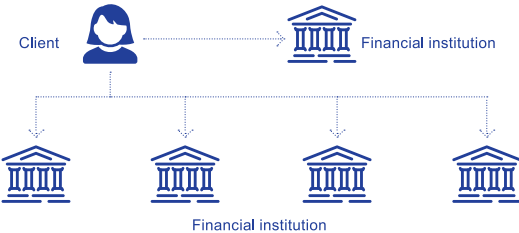
In countries and regions with geopolitical risk, it is critical to open multiple accounts in advance with international and local banks on-site, in addition to Mizuho Bank, to continue business, given the risk of international remittances being delayed or suspended due to sudden restrictions.

Potential case

Without multiple bank accounts, the client may face major risks during a crisis



Relationships with local banks will hedge risk during a crisis



During a crisis, we may consult with you on the priority of transactions.

We also may be unable to offer customized transactions.

During a crisis, your understanding and cooperation are essential for us to continue providing services.

Based on our experiences dealing with various crises and depending on the circumstances, we may ask for your understanding and cooperation with suspended or modified services under certain scenarios. Examples may include: being unable to handle cash, paper-based, or other transactions requiring in-office processing due to sudden movement restrictions; asking you to choose the priority of transactions to be processed due to limitations in our administrative processing capacity compared to business-as-usual; or being unable to offer customized transactions.

Potential case

Logistics stop, all paper-based communications become impossible



In-office work not allowed, fax communications no longer possible



We have faced unpredictable crises in recent years, starting with the COVID-19 pandemic and continuing with the military conflict between Russia and Ukraine. The five cases introduced in this pamphlet show the measures taken by our offices in the face of such crises.

At our offices, traditional spilt operations and other business continuity plan measures designed around employees' physical presence in the office proved vulnerable during the crises. Our offices rapidly responded by building a work-from-home (WFH) framework made possible by remote access, adding conditions for the direct shipment of Bill of Lading trade documents, supporting the cash flow of offices outside Japan from Tokyo with foreign currency and USD funds, and requesting clients to move back cut-off times due to the slowdown of processing capability.

Our clients accelerated their shift from cash and checks to remittance payments and their use of online banking services and paperless processing. Further, with only a handful of employees in accounting and the prevalence of COVID-19 impeding the processing of payments, some clients saw their parent companies support them by making payments in their place.

Mizuho Bank's Head Office in Japan and Mizuho's offices outside Japan worked together to support clients by continuing to process transactions amid successive crisis situations. Specifically, Head Office helped other offices by organizing remote access working environments, considering adjustments to administrative processes in support of clients that could not carry out regular procedures due to lockdowns or movement restrictions, and performing operations on behalf of Mizuho offices outside Japan.

In January 2020, Japan confirmed its first COVID-19 case. As the pandemic spread, we faced the challenge of addressing various crises, including when the Japanese government ordered a state of emergency in April 2020 and in January 2021.

For example, in order to avoid confusion among domestic branches, the banking industry in Japan announced that banks would prioritize services that are crucial for maintaining livelihoods and businesses (account payments and withdrawals, transfers, tax and utility payments) to secure the safety of our customers and our employees, while postponing, in principle, other nonessential services such as the opening of new bank accounts.

In addition to our various thoroughly implemented infection prevention measures (promotion of remote working, installation of front desk partitions), we also prepared alternative measures (identifying offices in charge of carrying out proxy services) in case of cluster outbreaks.

Moreover, we also supported the processing of payments from the government subsidy program launched for businesses greatly affected by the pandemic. The administrative procedures for the payments led by the central and local governments were entrusted to commissioned companies. We provided support to help process these payments swiftly and securely, coordinated the workflow, and managed the daily payments of the commissioned companies.

At the time, I was in charge of operations during crises in and outside of Mizuho Bank. Among the aforementioned experiences, the acceleration of digitalization, including use of online banking services, proved to be very significant for both our clients and us. I also keenly feel the necessity of reducing the amount of both inefficient paper-based operations and cash-based transactions. In addition, business continuity planning should not be merely good in theory; we need to build a practical approach through training on a regular basis.

I hope this pamphlet will provide an opportunity for all of us to prepare for the various risks faced during crises.



Eishi Shimizu

Operating Officer
Chief Process Officer

