Enterprise Payments and Commercial Primacy

Ken Gavrity
Head of Enterprise Payments
# Robust and Differentiated Platform

A broad platform of traditional and emerging payments capabilities leveraged across the franchise to drive client outcomes

## Expertise and Service Focused

**Serving Clients of all Sizes**
- Consumers
- Small Businesses
- Corporations

**Across Targeted Verticals**
- Real Estate
- Technology
- Healthcare
- Industrial
- Energy
- Consumer
- Public Sector

## Meaningful Scale and Reach

**Payments Processed Annually**

$5T

Customers in all 50 States

## Powerful Set of Capabilities

**Traditional**
- Consumer Card
- Commercial Card
- Merchant Services
- Liquidity & Core Treasury

**Differentiated**
- Automation
- Vertical Solutions
- Embedded Banking
Creating Significant Value for Key Payments Client means over $5K in annual Payments Revenue, Commercial Clients (>5K in T12 Revenue) Only

Our strategy remains consistent ➔ Primacy drives engagement, attractive returns, and the data assets that power our growth.

### High Engagement
- Highly engaged clients

### High Value Recurring Revenue
- Revenue per Client

### Low-Cost Deposit Base
- Operating Deposits as % of Commercial Deposits

**High Engagement**

- **73%**
  - Business clients transact >10 times per month

**High Value Recurring Revenue**

- **2.5x**
  - Revenue per Client

**Low-Cost Deposit Base**

- 2019: 74%
- 2021: 82%
- **Above Peer Median**

(1) Payments Client means over $5K in annual Payments Revenue, Commercial Clients (>5K in T12 Revenue) Only
Delivering on our Strategy

We’ve delivered on the roadmap laid out in 2018 and built a durable, hard to replicate, foundation for growth

### Market Leading Partnership Strategy
Expanded the portfolio and drove growth across the platform

### Intelligence Driven Strategies
Build-out of the Analytics organization to drive focus on the opportunities that matter

### NextGen Business Development Team
Completely rebuilt team with industry focus and software and consulting competencies

### Elevated Client Experience
Assembled the talent and the capabilities to connect across platforms for great client experiences

---

**Growth in Sales Production**
- **2018**: X
- **2021**: +41%

**Improvement in Commercial Payments NPS**
- **2018**: X
- **2021**: +93%

---

(1) Measurement period from 2018 to 2021
Driving Results Across the Platform

We have delivered on the opportunity identified in 2018 and meaningfully outperformed industry benchmarks, and we expect to continue double-digit growth in payments fee income through 2025.

Generating ~$1.5Bn in NII and Fee Income

<table>
<thead>
<tr>
<th>Component</th>
<th>2019</th>
<th>2021</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Payments Fee Revenue</td>
<td></td>
<td></td>
<td>+14%</td>
</tr>
<tr>
<td>Commercial Payments Fee Revenue¹</td>
<td></td>
<td></td>
<td>+30%</td>
</tr>
<tr>
<td>Operating Deposit Balances</td>
<td></td>
<td></td>
<td>+67%</td>
</tr>
</tbody>
</table>

Growth Outpacing the Industry

<table>
<thead>
<tr>
<th>Component</th>
<th>Industry Benchmarks²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Credit Card</td>
<td>+13%</td>
</tr>
<tr>
<td>Commercial Card</td>
<td>+3%</td>
</tr>
<tr>
<td>Merchant Services</td>
<td>+16%</td>
</tr>
<tr>
<td>Treasury Services</td>
<td>+10%</td>
</tr>
</tbody>
</table>

(1) Excludes Prepaid Revenue which was $18MM in 2019 and $106MM in 2021; (2) Sources: Mastercard (Consumer Credit Card, Commercial Card), Fiserv (Merchant Services), Novantas (Treasury Services)
Well Positioned for the Future

Significant runway for growth by continuing to penetrate our existing client base and amplified by industry tailwinds from changing customer behaviors

**Significant Opportunity Remains**

<table>
<thead>
<tr>
<th>Consumer</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2x</strong> Volume opportunity by capturing off-us consumer credit cards</td>
<td><strong>&lt;20%</strong> Penetrated in Commercial Card</td>
</tr>
<tr>
<td><strong>65K+</strong> Clients with off-us small business credit cards</td>
<td><strong>&lt;20%</strong> Penetrated in Merchant Services</td>
</tr>
<tr>
<td><strong>50%+</strong> Current YoY growth rate of Zelle volume</td>
<td><strong>&lt;5%</strong> Penetrated in Automation</td>
</tr>
</tbody>
</table>

**Industry Tailwinds**

- **Growth of the Digital Economy**
  - 45% Growth in ecommerce from 2019 to 2021
- **Embedded Banking**
  - 54% Expected CAGR of Revenue from Embedded Banking through 2025

---

(1) Q3 2021 compared to Q3 2019, Digital Commerce 360, November 2021; (2) Lightyear Capital; Embedded Finance Forecast
Embedded Banking Opportunity

Vertical-specialization is driving explosive growth of payments-enabled software companies, causing a shift in consumer behavior creating a massive opportunity for financial services companies.

Client Example: Dental Office Patient Engagement

Shift in Consumer Behavior

% of Total US Payment Card Volume processed on Software1 platforms

Growth of Software Vendors

Projected Growth of Payments Enabled Software Vendors2 (in thousands)

(1) Bain Capital Ventures, Legend: ■ Payments Enabled Software Vendors ■ All Other; (2) Forrester
Capturing the Opportunity

Uniquely positioned to capture the explosive growth in Embedded Banking given our scale in the Technology vertical, credibility across the fintech ecosystem, and ability to integrate products and deliver across our platform.

Focused Strategy in a Validated Market

Our Positioning

- Proven track record of delivering value in the fintech community
- Existing client base and assembled talent (Pacific Crest, AQN, XUP)
- Proven incubation model from Laurel Road
- Differentiated, relationship driven approach providing unique access
# Takeaways

## Poised for Growth

1. We have built a robust and differentiated platform, powered by expertise, that drives value for customers.

2. We’re creating significant value for Key as we drive customer engagement, create sticky recurring revenue streams, and capture valuable data assets.

3. We’ve delivered on our strategy and our differentiators are hard to replicate – Next generation Business Development, scaled enabling capabilities, and fintech partnership approach.

4. Metrics across the platform show significant and above industry growth, with compelling go-forward trajectory.

5. We’re well positioned to capture growth from the fair-share opportunity with our existing customer base, the strong macro tailwinds in our industry, and the massive opportunity in Embedded Banking.