Driving Consumer Relationship Growth

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Head of Consumer Banking
Consumer Bank Overview

We have the foundation – product set, physical distribution, bankers, digital capabilities, client base, and execution focus – to compete and win.

Compelling Product Set

Select Product Examples

- **Smart Checking**: No monthly fees or minimum balance
- **Cashback Card**: 2% cash back on every purchase
- **Home Lending**: 25bps relationship rate discount
- **Secured Card**: Helps clients build credit while saving
- **Debt Consolidation**: Lower interest rate and improve cash flow
- **Investments**: Comprehensive wealth planning

Convenient Distribution

- ~1,000 Branches
- 3MM+ Clients
- ~10,000 Teammates
Relationship Focus: High Value Revenue Streams

There is nothing more valuable to Key than a relationship client and we are intensely focused on driving relationship depth and strong engagement with our client base to grow high-value revenue streams.

Relationship Revenue Streams

1. **Primary Checking**
   - Key has the client’s primary operating account

2. **Payments**
   - Clients use Key’s payment solutions in their daily lives

3. **Wealth**
   - Clients use Key to plan, save, and invest for their future

Generating Attractive Returns

*Checking, Payments, and Wealth are all >20% ROE*

Large Portion of Revenue

*Checking, Payments, and Wealth account for 55% of Consumer Bank Revenue*

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(1) Revenue per household and household portfolio attrition in FY2021; credit quality represents the ratio of relationship vs. non-relationship households ever 60+ days delinquent, credit loss, or bankruptcy within the first three years post origination across 2017 and 2018 mortgage and home equity origination vintages (vintages with at least 3 years of performance)
**Relationship Focus: Tangible Action**

We have taken specific steps to make our relationship focus real.

**Exited Indirect Auto**

- **Return on Equity**
  - Key Target: 16-19%
  - Indirect Auto: <10%

**Restructured Incentive Plans**

- **Branch Banker Incentive Compensation on Checking Sales**
  - 4x

**Shifted Marketing Focus**

- **2019: High-Rate Money Market Acquisition**
  - Get a rate of 1.50%.
  - $200

- **2021: Acquiring Relationship Clients**
  - Get a checking account that gets you
  - and gives you $200.

(1) Branch bankers earn compensation only when the checking account becomes the client’s primary operating account as evidenced by direct deposit.
Execution Focus Throughout the Business

We are executing better across our businesses – driving strong client experiences and business performance

Checking Sales
- +19% from 2019 to 2021

New Checking Balance
- +47% from 2019 to 2021

Wealth Sales
- +48% from 2019 to 2021

Mortgage Originations
- 3x from 2019 to 2021

Credit Card Sales
- +8% from 2019 to 2021

Household Growth
- 4x from 2019 to 2021

New Household Age
- 25% of new households in 2021 under age 30

Client Satisfaction (NPS)
- ↑19
  - 4Q19 – 4Q21

(1) Represents the average account balances for new checking accounts at month on book 3, i.e., end of third month after account opening; (2) Represents the average of branch, contact center, and digital NPS change.
Omni-Channel Approach: The Winning Combination

We believe that a combination of physical and digital is the winning strategy and are focused on our omni-channel approach.

A Winning Combination for Clients…

<table>
<thead>
<tr>
<th>Physical</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>High touch, expertise driven service…</td>
<td>…combined with the convenience of digital</td>
</tr>
</tbody>
</table>

65% Of relationship checking households actively engage in both channels

40% Reduction in attrition when households engage in both channels¹

… and for Key

Revenue per Household

+20%

| One Channel | Both Channels |

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¹ Represents difference in attrition rate for households who engage in both physical and digital channels in trailing 90-days vs. those who engage in only one or no channels; digital represents online banking (browser / mobile) usage; physical represents branch, call center, or ATM usage
Omni-Channel Approach: Optimizing Distribution

We’ve taken action to execute against our omni-channel approach by right-sizing our branch count and generating efficiency while investing in digital; improving customer experience across all channels.

Growing Branch Efficiency

- **Deposits per Branch**
  - $59 (2017) vs. $53 (2021)
  - $88 vs. $93 (2017 vs. 2021)

- **Key Metrics**:
  - 16% net reduction in branch count
  - Better than expected client retention
  - Maintaining strong deposit growth

Growing Digital Engagement...

- 75% Of transactions occur outside the branch
- ~10% YoY growth in mobile actives

...And Improving Capabilities Across:

- Mortgage
- Credit Card
- Checking
- Savings

Enhancing Client Experience

- **Branch NPS**
- **Contact Center NPS**
- **Digital NPS**

(1) Data via FDIC Summary of Deposits, annually as of June 30th. Deposits per branch capped at $250MM per branch to remove the impact of commercial deposits.
**Driving Growth: Geographic Tailwinds in the West**

Our significant exposure to the West adds high growth, attractive markets ➔ We continue to outpace market growth and take share in this focus area.

**Strong Growth in the West**

2021-2026 Cumulative Population Growth¹

- 3.1% US Average
- **6.2%** Key’s Western MSAs
  - **30%+** Of Key’s branches are in the West

**Key has Taken Deposit Share…**

2017-2021 Deposit Growth in Key’s Western MSAs²

- 36% Competitors
- **51%** Key
  - **6%+** Household Growth in 2021

**… And Loan Share**

2017-2020 Mortgage Growth in Key’s Western States³

- 2.5x Competitors
- **7x** Key
  - Record Mortgage volume continuing in 2021

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¹ Data includes only MSAs; ² Data via FDIC Summary of Deposits, annually as of June 30th. Deposits per branch capped at $250MM per branch to remove the impact of commercial deposits; ³ Data represents mortgage originations via HMDA, states include AK, CO, ID, OR, UT, and WA.
Driving Growth: Deepening Relationships

While we have made initial progress, opportunity remains to achieve fair share in some of our most important core banking products with client sets including the Business Owner, Mass Affluent, and Emerging segments.

Progress in Deepening Relationships…

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<tr>
<th>Metric</th>
<th>Description</th>
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<tbody>
<tr>
<td>140%</td>
<td>Increase in Mortgage volume to existing clients 2019-2021 vs. ~70% market growth</td>
</tr>
<tr>
<td>+9 points</td>
<td>Increase in savings cross sell rate at checking account opening from 2020 to 2021</td>
</tr>
<tr>
<td>~33%</td>
<td>Wealth sales from cross line of business referrals in 2021</td>
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...Though Ample Opportunity Remains

<table>
<thead>
<tr>
<th>Segment</th>
<th>Number</th>
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<tbody>
<tr>
<td>Business Owners</td>
<td>~250K</td>
</tr>
<tr>
<td>Mass Affluent</td>
<td>~620K</td>
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<tr>
<td>Emerging</td>
<td>~550K</td>
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Helping Clients…

- Planned 2H22 enhancements including:
  - De minimis levels on overdraft
  - Client friendly fee structure
  - Early wage access
- Expect a ~65% reduction in overdraft and NSF fee income in 2023 vs. 2019

- ~250K Clients with off-us Mortgages who could receive superior value from Key
- ~50% Of deposit clients have off-us credit cards and no KeyBank credit card
- ~200K Households with >$50K deposit balances at Key and no investments product

(1) Mass Affluent represents households with >$100K assets at Key or >$100K household income; Emerging represents households with <$10K assets at Key and <$40K household income
Consumer Outlook: Accelerated Growth

We will grow total Retail relationship households 20%+ through 2025, reflecting stronger customer acquisition, retention, and overall Consumer Bank performance.

Relationship Households at Key

- Primary Checking
- Save / Invest
- And / Or
- Borrow

Retail Relationship Household Growth¹

- 5% (2016-2020)
- 20%+ (2021-2025)

(1) Retail Relationship households do not include business clients or households in Key’s Private Bank.
## Takeaways

### Poised for Growth

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<tr>
<th></th>
<th>Intensely focused on growing relationships that provide steady, high value revenue streams through checking, payments, and wealth</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Building momentum in execution and business performance</td>
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<td>3</td>
<td>A combination of physical and digital is the winning strategy and we have made solid progress in our omni-channel approach</td>
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<td>4</td>
<td>Capitalizing on geographic tailwinds by concentrating new investment in high growth markets</td>
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<tr>
<td>5</td>
<td>Our existing client base is a source of strength ➔ meaningful opportunity to deepen relationships across the breadth of our franchise</td>
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