



Consistency of Purpose

**An Interview with Beth E. Mooney,
Chairman and Chief Executive Officer, KeyCorp**

EDITORS' NOTE Beth Mooney has held her current post since May of 2011. In 2010, she was named President and became a member of KeyCorp's Board of Directors. In November 2010, she was named KeyCorp's President and Chief Operating Officer. Mooney previously served as Vice Chair, Key Community Bank, which includes Retail Banking, Business Banking, Commercial Middle Market Banking, Wealth Management, Private Banking, Key Investment Services, and KeyBank Mortgage. Mooney joined Key in April 2006. Prior to her most recent position as Senior Executive Vice President and Chief Financial Officer for Alabama-based AmSouth Bancorporation (now Regions Financial Corporation), Mooney ran its banking operations in Tennessee and Northern Louisiana. She also completed other line assignments of increasing responsibility at Bank One Corporation, Citicorp Real Estate, Inc., Hall Financial Group, and Republic Bank of Texas/First Republic. At Bank One, she served as Regional President in Akron and Dayton, and then as President of Bank One Ohio, managing major markets throughout the state. Mooney graduated from the University of Texas in 1977 and earned her Master of Business Administration degree from Southern Methodist University in 1983, where she was selected as a 2007-2008 Distinguished Alumni of the Cox School of Business. She has been recognized by Forbes as one of "The World's 100 Most Powerful Women" and by FORTUNE as one of the "Most Powerful Women in Business." For the second consecutive year, Mooney topped the American Banker list of the "Most Powerful Women in Banking." Mooney is a member of AT&T's Board of Directors and is a member of the Corporate Development and Finance Committee and the Public Policy and Corporate Reputation Committee. Mooney serves as Chairman of the Greater Cleveland Partnership (GCP), one of the largest Chambers of Commerce in the nation. She is also a member of the Catalyst Board of Directors and serves on the Investment Committee. Mooney is a trustee and Treasurer of the Board of the Musical Arts Association (The Cleveland Orchestra), a trustee of Cleveland Clinic Foundation, and a board member of the United Way of Greater Cleveland. She is a member of The Financial Services Roundtable and of the Supervisory Board of The Clearing House.



Beth E. Mooney

COMPANY BRIEF KeyCorp (key.com) was organized more than 160 years ago and is headquartered in Cleveland, Ohio. One of the nation's largest bank-based financial services companies, Key has assets of approximately \$92 billion. Key provides deposit, lending, cash management, and investment services to individuals, small, and medium-sized businesses under the name of KeyBank National Association. Key also provides a broad range of sophisticated corporate and investment banking products, such as merger and acquisition advice, public and private debt and equity, syndications, and derivatives to middle market companies in selected industries throughout the United States under the KeyBanc Capital Markets trade name.

What is the secret to the success of KeyCorp?

First, it's important that employees engage in what the purpose of the company is, and that purpose needs to be centered on our values and on our clients. This is how we inspire them to rise up and have consistent performance and quality of service, and how we bring about performance and growth for the company.

In the financial downturn, we took a step back and determined how to crystallize this, because it was the toughest of times during which we had to ensure that all of our folks felt aligned around what we were doing. We're here to help communities and clients thrive, and if we do that well through giving them great service with good advice and the tools to make good decisions to help grow their companies, they will thrive and at day's end, it will be good for our employees, our clients, and for our communities. In the end, if we drive this through our leadership and performance metrics, it will also be good for our shareholders.

This consistency of purpose, as well as our focus across those constituents, are the keys to our success.

Is it difficult to differentiate in the space and show what makes a brand unique?

There are elements that are difficult in terms of the consumer brand, because it's an area where there are similarities among banks in terms of mobile/digital/online banking capabilities, branches, products, and the core services that we all provide. Within that, there

are opportunities to differentiate with customer-friendly products, the service that we give, and different attributes of our offerings.

As we go through the continuum of clients that banks service, we have a heavy focus on what I call our business client base – our commercial and middle-market clients; there, you can build a highly differentiated platform. Key talks to its investors about how we have taken share and built a highly differentiated platform within our commercial businesses for our commercial/middle-market clients. This has turned into a competitive advantage that we pair local delivery by our local relationship people with the very sophisticated products and capabilities of a corporate and investment bank. This is all packaged for the middle-market size client in the markets where we do business, and against targeted industry segments. We are differentiating and have capabilities that other banks don't have. If you look at where we're experiencing a lot of growth through acquiring clients, driving revenue, loan growth, and businesses, it is in our commercial client base where we believe we have really come up with a differentiated business platform.

How critical has it been to add technology expertise to your business?

Technology is the mega-trend of our generation. It is applied across all attributes of how we do business, as well as how our clients define their expectations of our relationship and convenience.

How we are able to build platforms that translate our products and services to our clients in a mobile/digital world is critically important. At some level, it's becoming table stakes – there is an expectation across all client types about how they want to do business.

But to our clients, the ability to offer insight into technological trends is incredibly important. We announced in our second quarter that we were making an acquisition of a leading technology platform, Pacific Crest Securities. This helps us meet our goal of expanding into the highly evolving area of being able to underwrite finance, and give investment banking and placement abilities to emerging technology firms.

However, there is a convergence of technology across all industries. This gives us the ability to provide our clients with some insights into how technology is driving change within multiple industries.

This requires a sharp focus on how we run our shop, how we deliver products and services to our customers – both business and consumer – and how our capabilities and expertise can help our clients create advantages.

How will the landscape change when you look at brick-and-mortar issues?

We are investing heavily in digital channels to provide real-time solutions to offer ease, value, and expertise.

But branches are still the number-one place where we generate new accounts and where people want to go when they have a sophisticated financial decision to make. When they go into a branch, they have the opportunity to interact with someone who helps them make better informed and more confident financial decisions. This means there is still an importance for branches to be available to clients for the way they want to use them. Over time, our industry will see a different mix in the number of branches and how people interact with us between online/mobile and digital, and there will be a shifting of preferences.

Branches are also important to our business clients – they cite access to branches for their employees as well as for some of their own financial needs as an important factor in determining who they want to do business with.

Is your client focus across all sizes and scale?

One of the things we have done as part of our strategy is tightened up our targeted client segment, and decided where we think we can be most relevant. Our advice, capabilities, and products are most differentiated with clients at the low end – from \$10 million up to companies with \$1.5 billion in revenue. Within that group, there are different degrees of financial sophistication, but we don't go to the very upper end of the largest companies. That is a highly competitive market space where you start engaging with many of the New York investment banks as well as large New York banks.

Ours is more of a middle-market focus, and it's where we can best offer loans, deposits, and payment products. It's important that we have a KeyBanc Capital Market that can do debt offerings and equity offerings; we do equity research on companies and targeted industries; and we do loan syndication. We have a lot of capabilities there that most middle-market banks would not have, and that's where we feel we can stand out.

Why is it so critical for KeyCorp to have a diverse workforce?

Having a diverse and inclusive workforce and environment is critical to the success of our company, and any company. When we talk to our employees about our strategic priorities, our number-one priority is to engage a high-performing, talented, and diverse workforce. We have done a lot over the years to promote diversity and inclusion. When people can bring their genuine selves to work, and we have a workforce that mirrors our client base, and we value diversity in all of its forms, we get the better decisions. It's a better process where people can engage and provide solutions and services. It's just good business.

Collectively, between the public and private sector, we have some towering strengths in terms of industries. We have a long and deep industrial and manufacturing base; we have emerging technologies with biotech and leading healthcare within this space; world-class academic institutions; and the shale revolution. I see the various parts of our state economy and feel we are poised to grow.

We were one of the first states to emerge from the economic downturn, and I see us diversifying and prioritizing, and making Ohio a desirable place to do business.

If we can get people to move here, once they're here, they don't want to leave.

Are enough opportunities being provided for women in this industry today and does more need to be done to level the playing field?

I feel an obligation as the first female CEO of a top 20 U.S. bank to help level that playing field because it will assist in making it easier for others to follow.

When I look out across the upper ranks of management in our industry, there is a much more diverse fabric of people than when I started in the industry more than 30 years ago.

There is a pipeline of talent, which suggests the frequency with which racially and gender-diverse people will be entering the C-suite should increase as long as we all do our jobs to make sure we value it and continue to create the opportunities – that we mentor, support, and sponsor success for a diverse population. It's an evolution of business.

Within my working lifetime, American business has really transformed itself.

Is the banking industry still attracting the best talent?

It's a highly competitive landscape for good talent coming out of schools, but there are now different careers available. Private equity and hedge funds are a very different career path than a bank like ours, and we have multiple training programs where we introduce people to where they can end up in our branch system, and our corporate and investment bank.

We still have robust on-campus recruiting and we are bringing in very talented people in any given year. It then becomes about how we train and support them, and paint the opportunities they will have in the near term and the longer term of a career in banking. We have a very competitive human capital value proposition as well, and I'm always excited to meet with our new hires because they are incredibly talented. I always tell them, they're going to like the future they have here. ●

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How critical have community engagement efforts been to attracting and retaining talent?

It's part of our purpose to help clients and communities thrive, but it comes right back to being a great place to work. When we talk to our employees about what they can expect in working at Key, one of our first pillars is that we have a strong sense of community – that we value outcomes for our clients and communities but we engage as well in volunteerism and in financial support.

The very visible things we do to be a good corporate citizen are real points of differentiation and pride for our employees, and something that they value. It helps us attract, retain, and engage talent. When we conduct our various employee engagement surveys, we find that employees value working at a place that genuinely cares about their employees, clients, and the community, and they see that as a place where they want to spend their careers.

What are some of the strengths Ohio has as a business-friendly state?