

Revision date: 24 June 2004

## **Risk Management Policy**

### **Risk oversight**

The Board is responsible for approving and reviewing Keycorp's operational risk management strategy and policy. The management of operational risk and implementation of mitigation measures is the responsibility of Keycorp's management.

The Board considers significant business risks as part of its annual strategy review and budget planning review.

The Board has delegated certain activities to its Audit & Risk Committee ("Committee"). That Committee's charter is available in the Corporate Governance section of Keycorp's external web site ([www.keycorp.net](http://www.keycorp.net)). Among other functions, the Committee oversees risk management as more particularly described below.

### **Management of risks**

Keycorp's management conducts reviews of significant business risks relating to current operations and new business initiatives and, through that process, identifies and then implements board-approved policies, control procedures and mitigation strategies.

The results of management's reviews are reported semi-annually to the Committee and the Committee provides a report, and where appropriate makes recommendations, to the Board on the company's risk profile.

The Committee oversees management's processes for and results in identifying, assessing and monitoring risks associated with the company's operations and the implementation and maintenance of board-approved policies, control procedures and mitigation strategies that address significant risks.

In doing so, the Committee considers and assesses the appropriateness and effectiveness of management information and systems of internal control, and also reviews reports to management from the company's external auditor and action taken or proposed as a consequence of such reports.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the company.

Keycorp does not currently have a separate internal audit function.

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