KeyCorp

Third Quarter 2011 Earnings Review

October 20, 2011

Beth E. Mooney
Chairman and
Chief Executive Officer

Jeffrey B. Weeden
Chief Financial Officer

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 FORWARD-LOOKING STATEMENT DISCLOSURE

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about Key's financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements are not historical facts but instead represent only management's current expectations and forecasts regarding future events, many of which, by their nature, are inherently uncertain and outside of Key's control. Key's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Factors that could cause Key's actual results to differ materially from those described in the forward-looking statements can be found in KeyCorp's Annual Report on Form 10-K for the year ended December 31, 2010, and its Quarterly Reports on Form 10-Q for the periods ended March 31, 2011 and June 30, 2011, which have been filed with the Securities and Exchange Commission and are available on Key's website (www.key.com/ir) and on the Securities and Exchange Commission's website (www.sec.gov). Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. Key does not undertake any obligation to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

Investor Highlights – Third Quarter 2011

Execution of Business Plan	▪ Positive momentum in financial results ▪ Continued improvement in credit quality ▪ Well controlled expenses - driving to create positive operating leverage
Growing the Franchise	▪ Inflection point for loan portfolio ▪ Momentum in the business – new client acquisition and growth ▪ Investing in the business
Disciplined Capital Management	▪ Maintained strong balance sheet and moderate risk profile ▪ Disciplined approach to capital deployment to maximize shareholder value ▪ Positioned to meet Basel III requirements

Strategic statement: Key grows by building enduring relationships through client-focused solutions and extraordinary service

Executing Business Plan: Progress on Targets for Success

KEY Business Model	KEY Metrics [a]	KEY 3Q11	Targets	Action Plans
Core funded	Loan to deposit ratio [b]	86%	90-100%	▪ Improve risk profile of loan portfolio and grow relationships ▪ Improve deposit mix and grow deposit base
Returning to a moderate risk profile	NCOs to average loans	.90%	40-50 bps	▪ Focus on relationship clients ▪ Exit noncore portfolios ▪ Limit concentrations ▪ Focus on risk-adjusted returns
Growing high quality, diverse revenue streams	Net interest margin	3.09%	>3.50%	▪ Improve funding mix ▪ Focus on risk-adjusted returns ▪ Grow client relationships ▪ Leverage Key's total client solutions and cross-selling capabilities
	Noninterest income to total revenue	47%	>40%	
Creating positive operating leverage	Efficiency ratio	67%	60-65%	▪ Improve efficiency and effectiveness ▪ Leverage technology ▪ Change cost base to more variable from fixed
Executing our strategies	Return on average assets	1.14%	1.00-1.25%	▪ Execute our client insight-driven relationship model ▪ Lower credit costs ▪ Improved funding mix with lower cost core deposits

(a) Continuing operations, unless otherwise noted
(b) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office)

Financial Review

Financial Summary – Third Quarter 2011

	Metrics	3Q11	2Q11	3Q10
Financial Performance [a]	Income from continuing operations attributable to Key common shareholders	$.24	$.26	$.19
	Net interest margin (TE)	3.09%	3.19%	3.35%
	Return on average total assets	1.14	1.23	.93
Capital [b]	Tier 1 common equity [c]	11.34%	11.14%	8.61%
	Tier 1 risk-based capital [c]	13.55	13.93	14.30
	Tangible common equity to tangible assets	9.82	9.67	8.00
	Book value per common share	$10.09	$9.88	$9.54
Asset Quality [a]	Net loan charge-offs to average loans	.90%	1.11%	2.69%
	NPLs to EOP portfolio loans	1.64	1.76	2.67
	NPAs to EOP portfolio loans + OREO + Other NPAs	1.89	1.98	3.48
	Allowance for loan losses to period-end loans	2.35	2.57	3.81
	Allowance for loan losses to NPLs	143.53	146.08	142.64

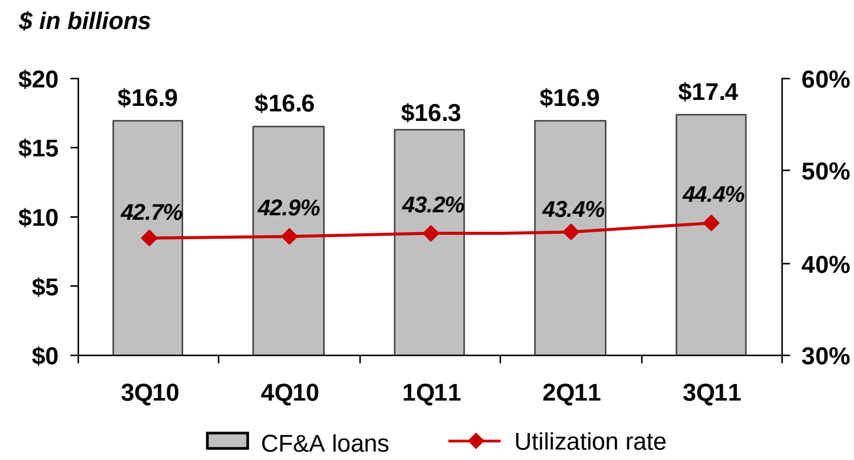
TE = Taxable equivalent, EOP = End of Period
(a) From continuing operations
(b) From consolidated operations
(c) 9-30-11 ratios are estimated

Stabilizing Loan Portfolio

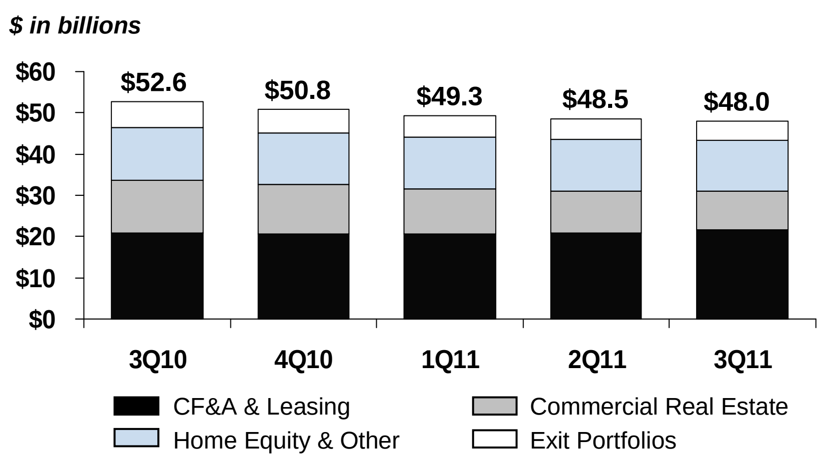
Highlights

- **Loan portfolio at inflection point as period-end loans grew during the third quarter**
- **Period-end Commercial, Financial and Agricultural loans increased by 5.7% in 3Q11, while average balances grew 2.7% from the prior quarter**
- **Commercial Real Estate loans continued to decline, but at a slower pace**
- **Slower run-off in exit portfolio and focus on targeted segments positions Key for future loan growth**

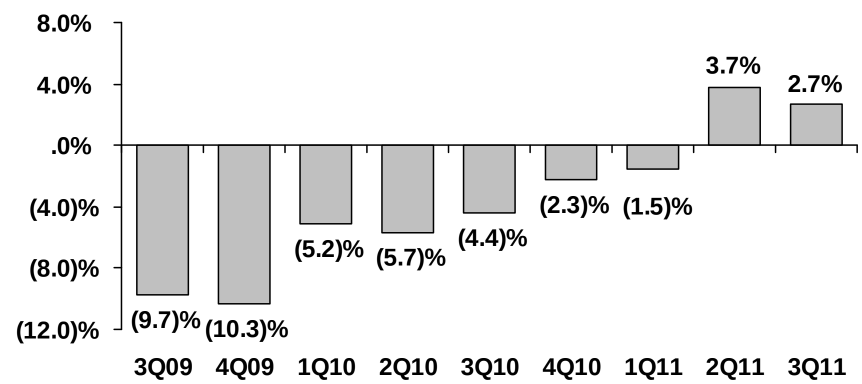
Average Commercial, Financial & Agricultural Loans



Average Loans



Quarterly % Change in Average CF&A Loans

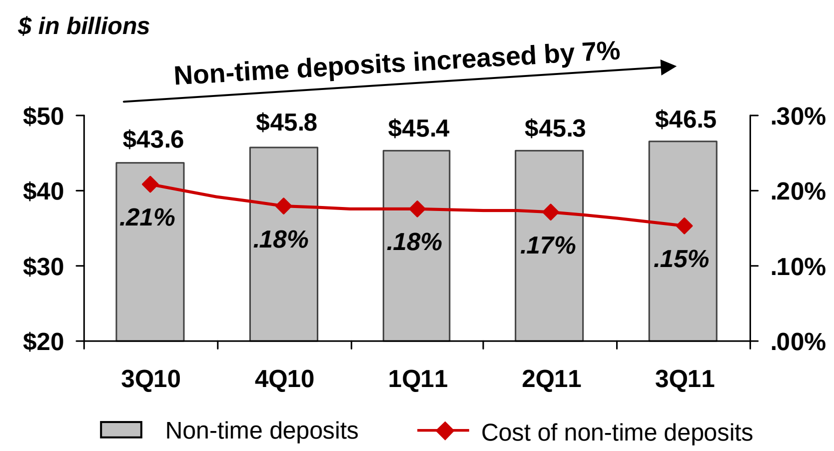


Improving Deposit Mix

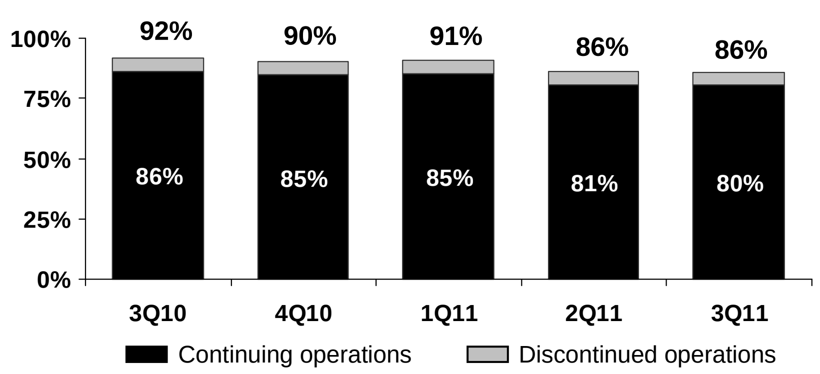
Highlights

- Higher cost CDs continue to decline, while lower cost deposits have remained strong
- Improved funding mix has reduced the cost of deposits
- Total CD maturities and average cost
  - 2011: $2.5 billion at 1.23%
  - 2012: $5.7 billion at 2.44%
  - 2013 & beyond: $2.9 billion at 3.82%

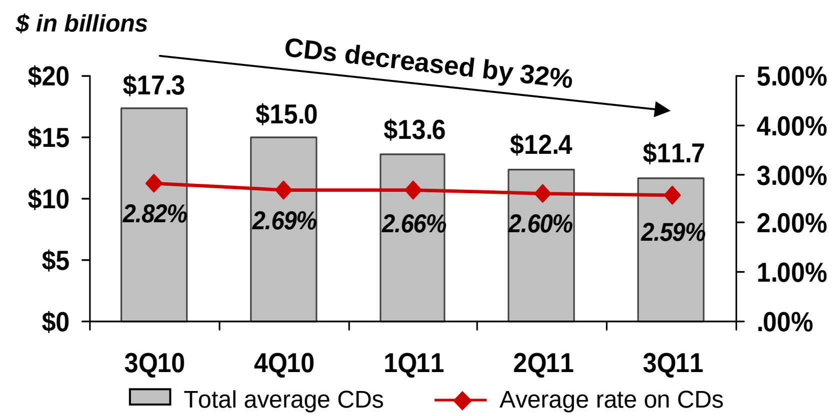
Average Non-time Deposits (a)



Loan to Deposit Ratio (b)



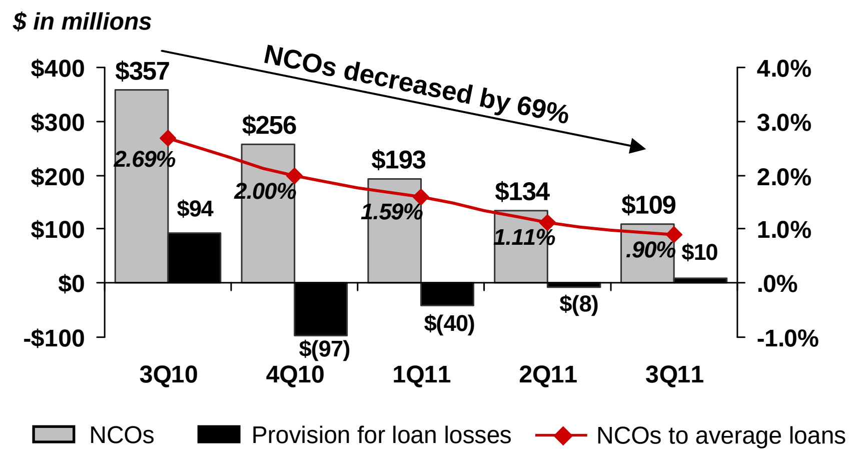
Average CD Balances



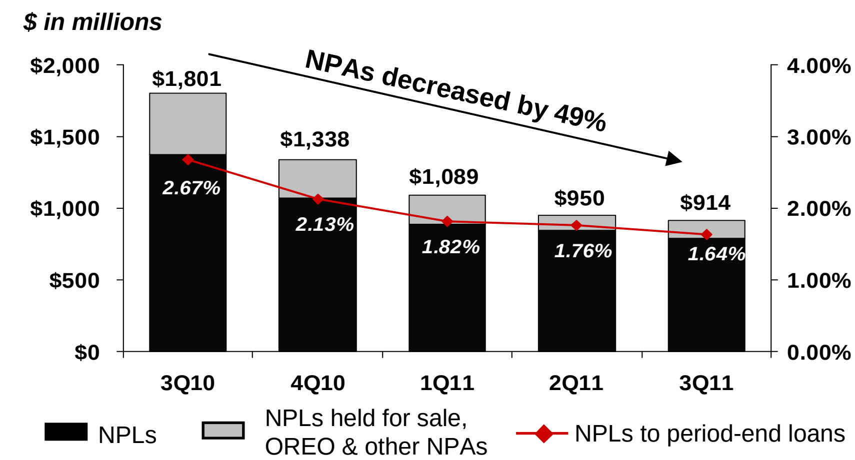
(a) Excludes time deposits and deposits in foreign office
(b) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office)

Continued Improvement in Asset Quality

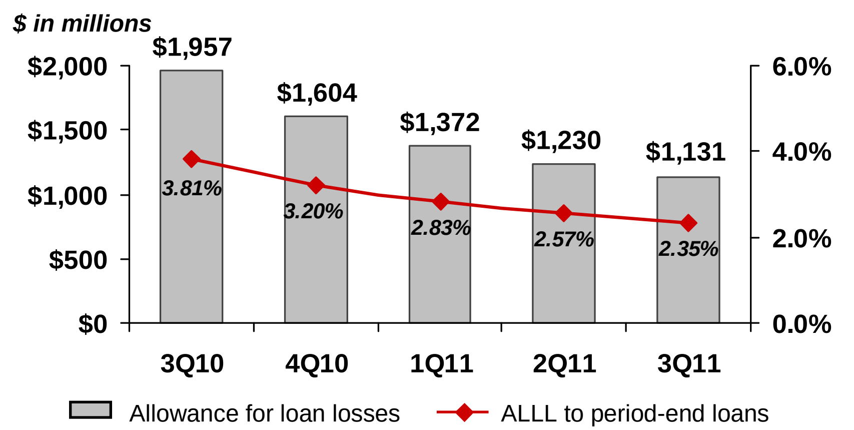
Net Charge-offs & Provision for Loan Losses



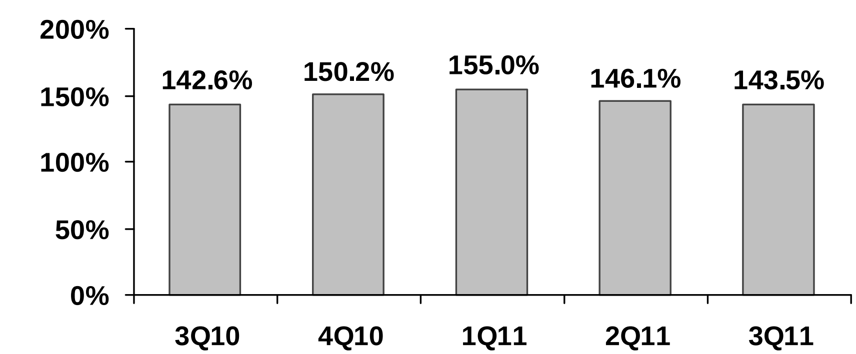
Nonperforming Assets



Allowance for Loan Losses



Allowance to Nonperforming Loans



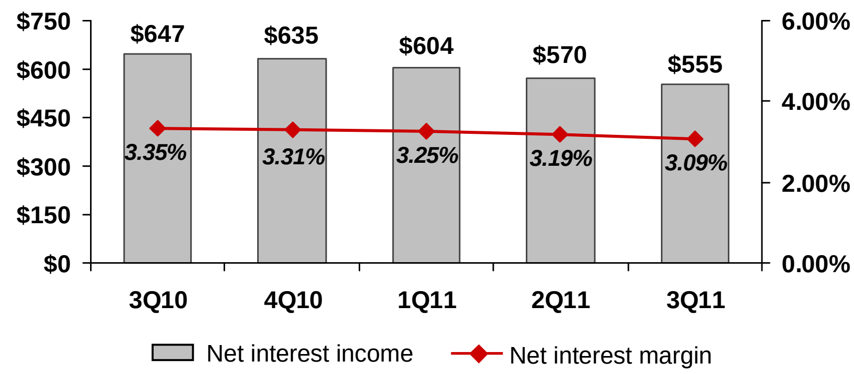
Total Revenue

Highlights

- Net interest income and NIM impacted by:
  - Low interest rate environment
  - Higher levels of short-term investments
  - Excess liquidity
- New client acquisition and execution of relationship-based model provide opportunities to grow noninterest income

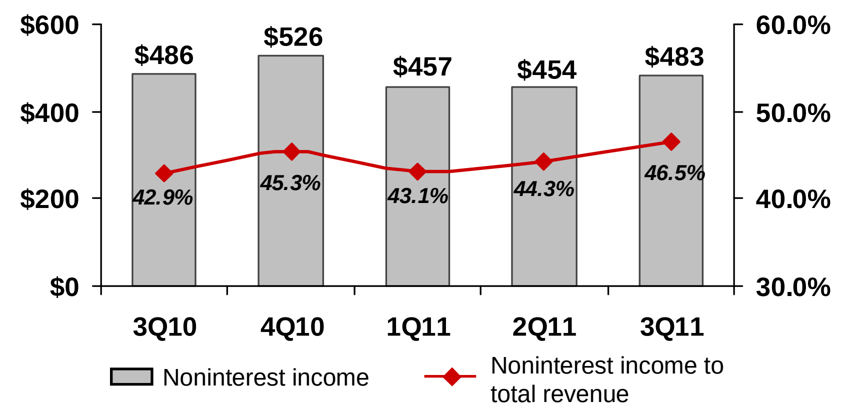
Net Interest Margin (TE) Trend

$ in millions
Continuing Operations



Noninterest Income and % of Total Revenue

$ in millions



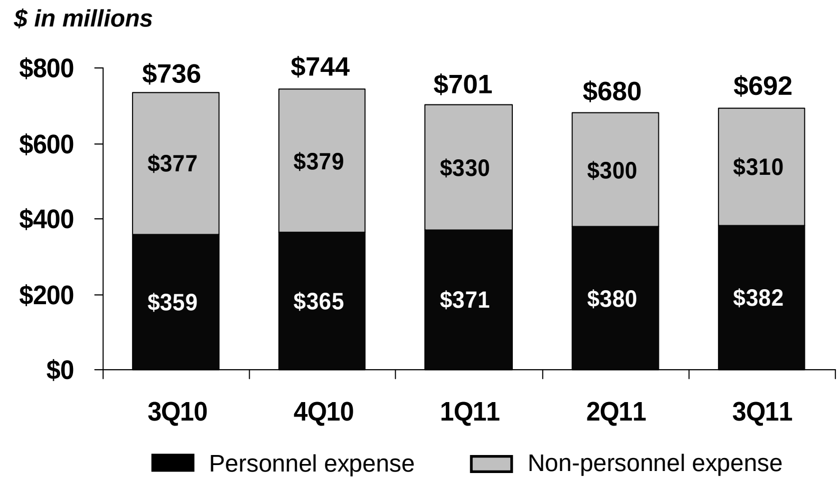
TE = Taxable equivalent

Focused Expense Management

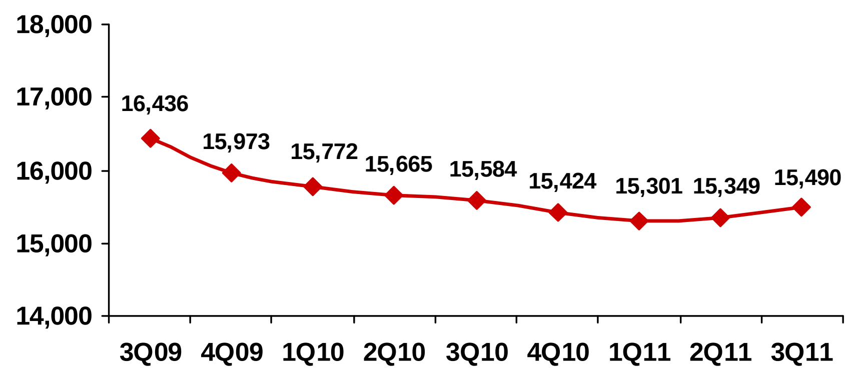
Highlights

- Noninterest expense increased by $12 million compared to 2Q11
  - Decreased credit for losses on lending-related commitments
  - Increased marketing expense
- Continued focus on expense management

Noninterest Expense

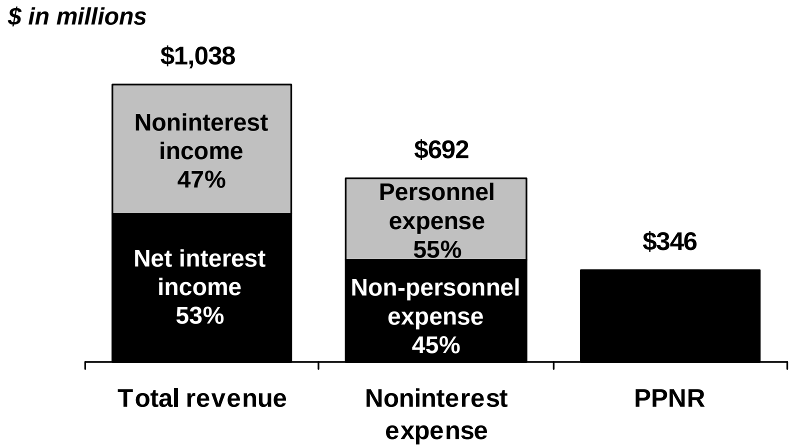


Average FTEs

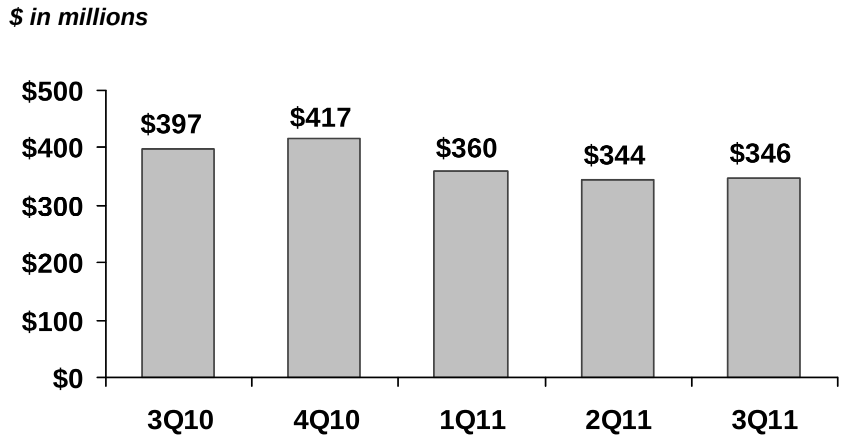


Pre-Provision Net Revenue [a] and ROAA [b]

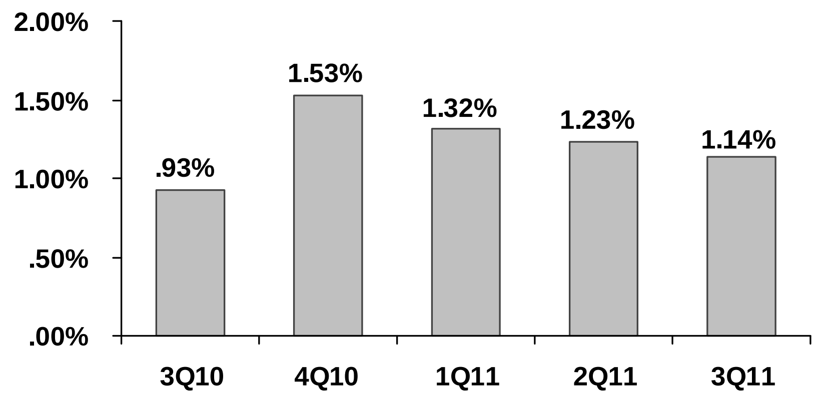
3Q11 Pre-Provision Net Revenue



Pre-Provision Net Revenue Trend



Return on Average Assets



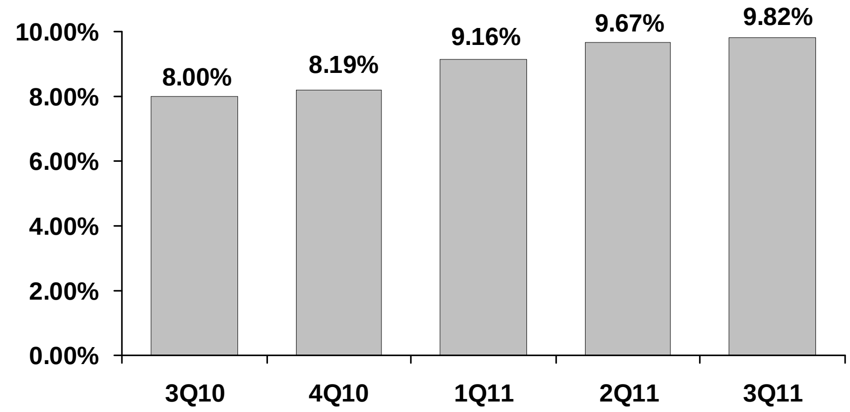
(a) Net interest income plus taxable-equivalent adjustment and noninterest income less noninterest expense
(b) From continuing operations

Strong Capital Ratios

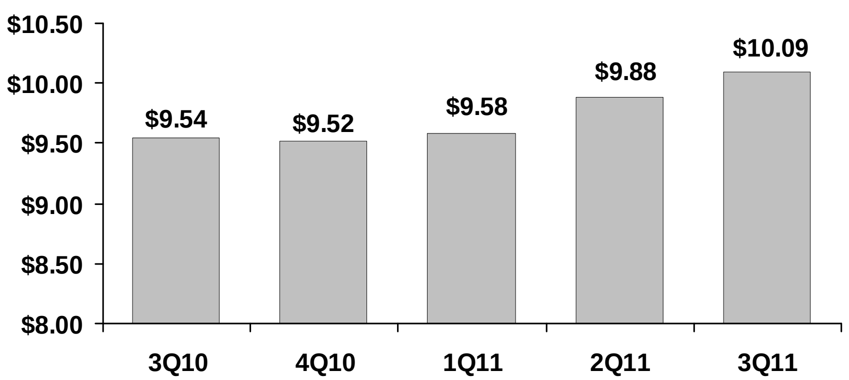
Highlights

- **Peer leading capital position supports growth**
- **Positioned for successful transition to Basel III**
- **Continued capital generation through execution of strategy**
- **Disciplined approach to capital management**

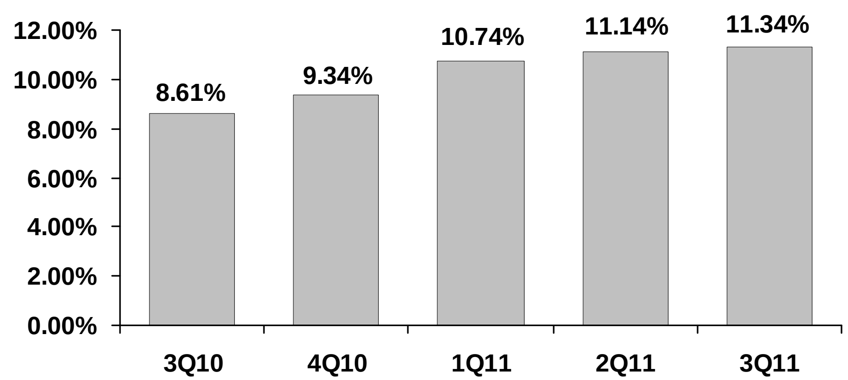
Tangible Common Equity to Tangible Assets



Book Value per Share



Tier 1 Common Equity [(a)]



(a) 9-30-11 ratio is estimated.

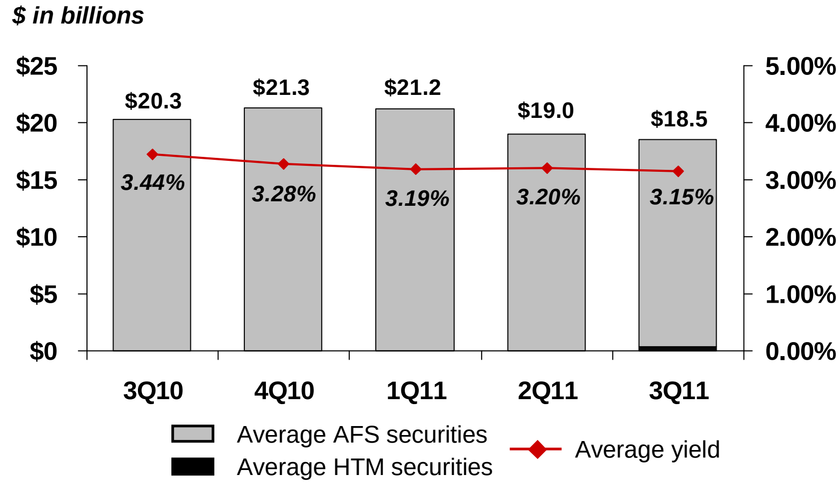
Appendix

High Quality Investment Portfolio

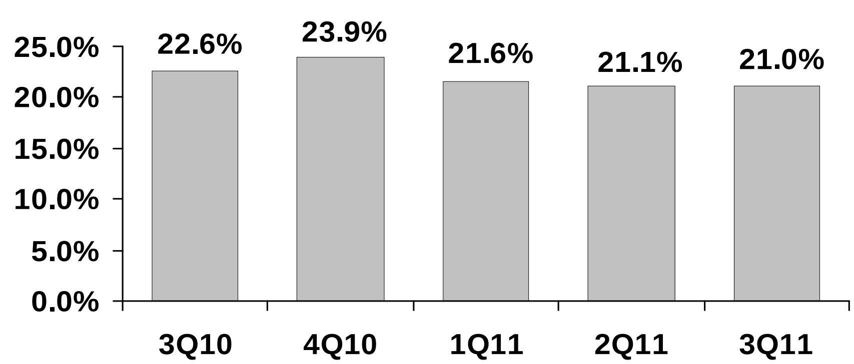
Highlights

- Portfolio composed of Agency or GSE backed: GNMA, Fannie & Freddie
  - No private label MBS or financial paper
- Average portfolio maturity at 9/30/11: 2.3 years
- Unrealized net gain of $648 million on available-for-sale securities portfolio at 9/30/11
- Mortgage paydowns in 3Q11 were $1.1 billion vs. $942 million in 2Q11
- 3Q11 purchases classified as held-to-maturity

Average Total Investment Securities



Securities to Total Assets (a)



(a) Includes end of period held-to-maturity and available-for-sale securities

Credit Quality

Credit Quality by Portfolio

$ in millions

	Period-end loans	Average loans	Net loan charge-offs		Net loan charge-offs [a] / average loans		Nonperforming loans		Ending allowance [b]	Allowance / period-end loans [b]	Allowance / NPLs
	9/30/11	3Q11	3Q11	2Q11	3Q11	2Q11	9/30/11	6/30/11	9/30/11	9/30/11	9/30/11
Commercial, financial and agricultural	$17,848	$17,381	$22	$36	*.50* %	*.85* %	$188	$213	$370	*2.07* %	*196.81* %
Commercial real estate:											
Commercial mortgage	7,958	7,978	25	12	*1.24*	*.57*	237	230	305	*3.83*	*128.69*
Construction	1,456	1,545	8	24	*2.05*	*5.47*	93	131	87	*5.98*	*93.55*
Commercial lease financing	5,957	6,045	2	4	*.13*	*.26*	31	41	96	*1.61*	*309.68*
Real estate - residential mortgage	1,875	1,853	5	6	*1.07*	*1.32*	88	79	34	*1.81*	*38.64*
Home equity:											
Key Community Bank	9,347	9,388	18	27	*.76*	*1.15*	102	101	110	*1.18*	*107.84*
Other	565	582	8	10	*5.45*	*6.56*	12	11	35	*6.19*	*291.67*
Consumer other— Key Community Bank	1,187	1,169	9	9	*3.05*	*3.14*	4	3	41	*3.45*	*N/M*
Consumer other:											
Marine	1,871	1,928	11	4	*2.26*	*.78*	32	32	51	*2.73*	*159.38*
Other	131	139	1	2	*2.85*	*5.49*	1	1	2	*1.53*	*200.00*
Continuing total	**$48,195**	**$48,008**	**$109**	**$134**	***.90*** %	***1.11*** %	**$788**	**$842**	**$1,131**	***2.35*** %	***143.53*** %
Discontinued operations - education lending business	5,984	6,171	31	32	*3.93*	*4.02*	22	21	115	*3.65*	*N/M*
Consolidated total	**$54,179**	**$54,179**	**$140**	**$166**	***1.09*** %	***1.29*** %	**$810**	**$863**	**$1,246**	***2.43*** %	***153.83*** %

N/M = Not Meaningful

(a) Net charge-off amounts are annualized in calculation. NCO ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value

(b) 9-30-11 allowance by portfolio is estimated. Allowance/period loans ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value

Commercial Real Estate Loans – 9/30/11

Commercial Real Estate by Property Type and Geography

$ in millions

	Geographic Region							% of	Commercial	
	West	Southwest	Central	Midwest	Southeast	Northeast	Total	Total CRE	Mortgage	Construction
Nonowner-occupied:										
Retail properties	$338	$138	$220	$233	$386	$200	$1,515	16.1 %	$1,246	$269
Multifamily properties	228	143	191	275	328	240	1,405	14.9	1,021	384
Health facilities	189	6	163	115	207	175	855	9.1	805	50
Office buildings	116	65	77	102	60	251	671	7.1	559	112
Warehouses	229	-	44	107	77	82	539	5.7	509	30
Residential properties	52	19	37	70	52	62	292	3.1	96	196
Hotels/motels	60	-	23	6	84	43	216	2.3	174	42
Land and development (a)	19	13	29	10	35	67	173	1.9	13	160
Manufacturing facilities	1	-	1	8	33	6	49	.5	49	-
Other	61	2	13	30	96	94	296	3.2	284	12
Total nonowner-occupied	1,293	386	798	956	1,358	1,220	6,011	63.9	4,756	1,255
Owner-occupied	1,375	36	312	772	129	779	3,403	36.1	3,202	201
Total	$2,668	$422	$1,110	$1,728	$1,487	$1,999	$9,414	100.0 %	$7,958	$1,456
Nonowner-occupied: September 30, 2011										
Nonperforming loans	$50	$49	$2	$39	$38	$50	$228	N/M	$141	$87
90+ days past due	-	-	-	-	-	8	8	N/M	-	8
30-89 days past due	14	-	7	14	47	23	105	N/M	97	8
Nonowner-occupied: June 30, 2011										
Nonperforming loans	$53	$56	$6	$50	$51	$54	$270	N/M	$149	$121
90+ days past due	22	-	-	2	-	12	36	N/M	8	28
30-89 days past due	15	4	1	16	36	26	98	N/M	65	33

(a) Nonresidential land and development loans
N/M = Not Meaningful

Commercial Real Estate

Commercial Real Estate Credit Quality						
$ in millions	Period-end loans		Nonperforming loans		Net loan charge-offs	
	9-30-11	6-30-11	9-30-11	6-30-11	9-30-11	6-30-11
Retail properties	$1,515	$1,578	$63	$66	-	$6
Multifamily properties	1,405	1,321	44	47	10	(1)
Health facilities	855	967	10	11	-	3
Office builldings	671	756	26	25	7	4
Warehouses	539	511	10	10	-	-
Residential properties	292	388	49	69	13	9
Hotels/motels	216	267	4	5	1	-
Land and development [a]	173	198	6	18	(8)	6
Other CRE	345	335	16	19	5	4
Total nonowner-occupied	6,011	6,321	228	270	28	31
Owner-occupied	3,403	3,379	102	91	5	5
Total	$9,414	$9,700	$330	$361	$33	$36

(a) Nonresidential land and development loans

Home Equity Loans – 9/30/11

Community Bank – Home Equity

$ in millions, except average loan size	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV (a)	% of Loans LTV>90%	Vintage (% of Loans) 2010 and 2011	2009	2008	2007	2006 and prior
Home equity loans and lines										
First lien	$ 4,927	$ 58,180	751	66 %	.6 %	19 %	10 %	11 %	8 %	52 %
Second lien	4,420	44,903	750	75	3.4	14	8	18	17	43
Total home equity loans and lines	$ 9,347	$ 51,043	751	70	1.9	17	9	14	12	48
Nonaccrual loans										
First lien	$ 57	$ 70,886	714	73 %	1 %	2 %	3 %	6 %	16 %	73 %
Second lien	45	53,652	708	77	3.8	1	4	13	22	60
Total home equity nonaccrual loans	$ 102	$ 62,075	711	75	2.0	1	4	9	18	68
Community Bank - Home Equity										
Third quarter net charge-offs	$ 18					-	2 %	18 %	31 %	49 %
Net loan charge-offs to average loans	.76 %									

Exit Portfolio – Home Equity

$ in millions, except average loan size	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV (a)	% of Loans LTV>90%	Vintage (% of Loans) 2010 and 2011	2009	2008	2007	2006 and prior
Home equity loans and lines										
First lien	$ 25	$ 23,215	747	33 %	.4 %	-	-	1 %	24 %	75 %
Second lien	540	25,138	731	82	32.7	-	-	1	41	58
Total home equity loans and lines	$ 565	$ 25,047	731	80	31.2	-	-	1	40	59
Nonaccrual loans										
First lien	$ 1	$ 19,951	714	35 %	-	-	-	-	11 %	89 %
Second lien	11	27,778	709	84	39.0 %	-	-	2 %	37	61
Total home equity nonaccrual loans	$ 12	$ 27,152	710	82	36.7	-	-	2	35	63
Exit Portfolio - Home Equity										
Third quarter net charge-offs	$ 8					-	-	1 %	44 %	55 %
Net loan charge-offs to average loans	5.45 %									

(a) Average LTVs are at origination.

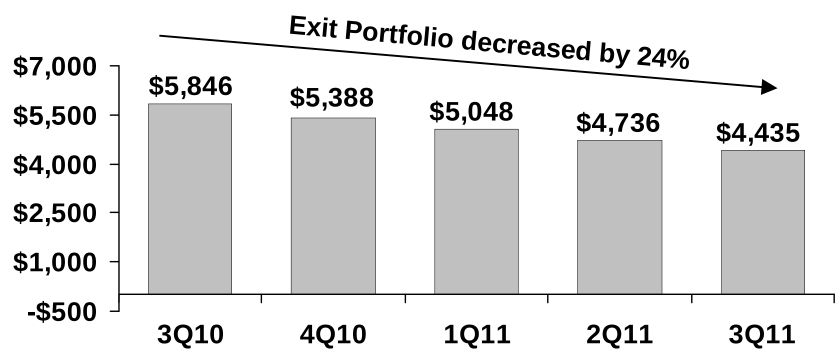
Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding		Change 9-30-11 vs.	Net Loan Charge-offs		Balance on Nonperforming Status	
	9-30-11	6-30-11	6-30-11	3Q11	2Q11	9-30-11	6-30-11
Residential properties – homebuilder	$48	$62	$(14)	$4	$1	$28	$33
Marine and RV floor plan	92	122	(30)	3	1	38	31
Commercial lease financing [a]	1,728	1,826	(98)	-	7	9	19
Total commercial loans	1,868	2,010	(142)	7	9	75	83
Home equity – Other	565	595	(30)	8	10	12	11
Marine	1,871	1,989	(118)	11	4	32	32
RV and other consumer	131	142	(11)	1	2	-	-
Total consumer loans	2,567	2,726	(159)	20	16	44	43
Total exit loans in loan portfolio	$4,435	$4,736	$(301)	$27	$25	$119	$126
Discontinued operations - education lending business (not included in exit loans above) [b]	$5,984	$6,261	$(277)	$31	$32	$22	$21

Exit Loan Portfolio Trend (Excluding Discontinued Operations)

$ in millions

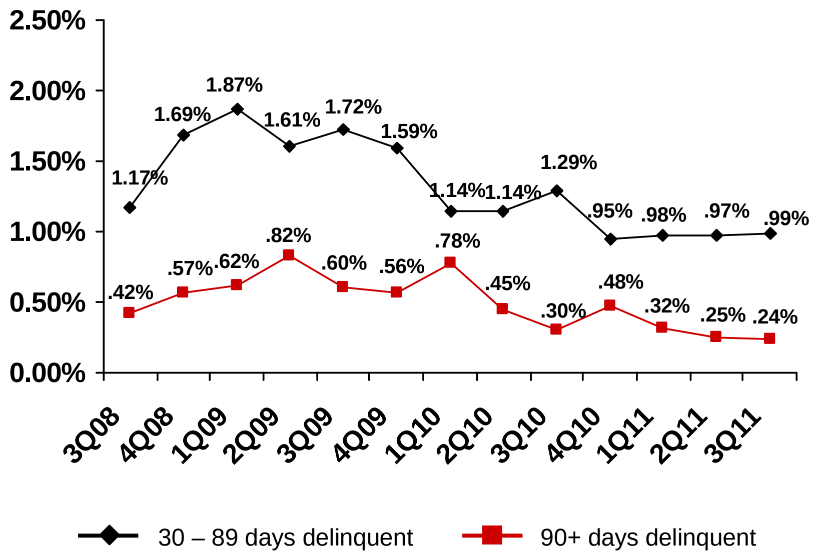


(a) Includes the business aviation, commercial vehicle, office products, construction and industrial leases, and Canadian lease financing portfolios; and all remaining balances related to lease in, lease out; sale in, sale out; service contract leases; and qualified technological equipment leases

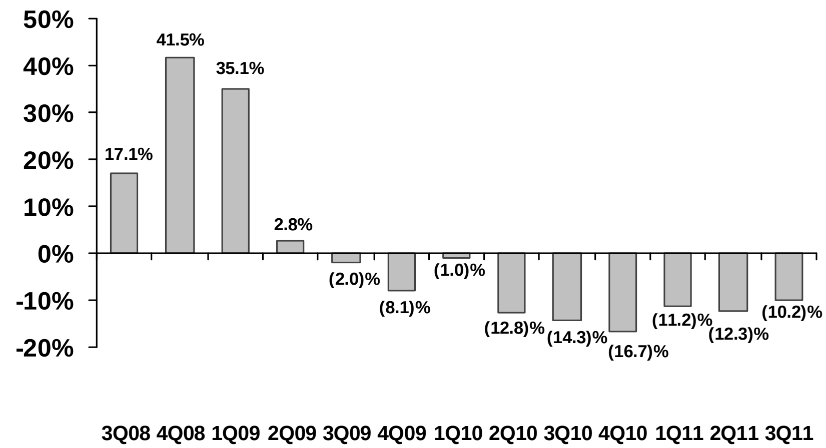
(b) Includes loans in Key's consolidated education loan securitization trusts

Credit Quality Trends

Delinquencies to Period-end Total Loans



Quarterly Change in Criticized Outstandings (a)



(a) Loan and lease outstandings