

BancAnalysts Association of Boston 2012 Conference

Key Corporate Bank

Strong, Focused and Building Momentum

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Key Corporate Bank



FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION DISCLOSURE

This presentation contains and we may, from time to time, make 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, capital levels 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. Forward-looking statements usually can be identified by the use of words such as "goal," "objective," "plan," "expect," "anticipate," "intend," "project," "believe," "estimate" or other words of similar meaning.

Our forward-looking statements are subject to the following principal risks and uncertainties: the economic recovery may face challenges causing its momentum to falter or a further recession; the Dodd-Frank Wall Street Reform and Consumer Protection Act and other reforms will subject us to a variety of new and more stringent legal and regulatory requirements, including increased scrutiny from our regulators; changes in local, regional and international business, economic or political conditions in the regions where we operate or have significant assets; changes in trade, monetary and fiscal policies of various governmental bodies and central banks could affect the economic environment in which we operate; our ability to effectively deal with an economic slowdown or other economic or market difficulty; adverse changes in credit quality trends; our ability to determine accurate values of certain assets and liabilities; adverse behaviors in foreign exchange rates, securities, public debt, and capital markets, including changes in market liquidity and volatility; our ability to anticipate interest rate changes correctly and manage interest rate risk presented through unanticipated changes in our interest rate risk position and/or short- and long-term interest rates; unanticipated changes in our liquidity position, including but not limited to our ability to enter the financial markets to manage and respond to any changes to our liquidity position; adequacy of our risk management program; reduction of the credit ratings assigned to KeyCorp and KeyBank; increased competitive pressure due to industry consolidation; unanticipated adverse affects of acquisitions and dispositions of assets, business units or affiliates; and operational or risk management failures due to technological, cybersecurity threats or other factors.

We provide greater detail regarding some of these factors in our 2011 Form 10-K, including in Item 1A. Risk Factors and in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation under the heading "Risk Management," as well as in our subsequent SEC filings, all of which are accessible on our website at www.key.com/ir and on the SEC's website at www.sec.gov.

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. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance.

This presentation also includes certain Non-GAAP financial measures related to "pre-provision net revenue." Management believes these ratios may assist investors, analysts and regulators in analyzing Key's financials. Although Key has procedures in place to ensure that these measures are calculated using the appropriate GAAP or regulatory components, they have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of results under GAAP. For more information on these calculations and to view the reconciliations to the most comparable GAAP measures, please refer to the Appendix to this presentation or our most recent earnings press release, which is accessible at www.key.com/ir.

Web addresses referenced in this slide are inactive textual references only. Information on these websites is not part of this document.

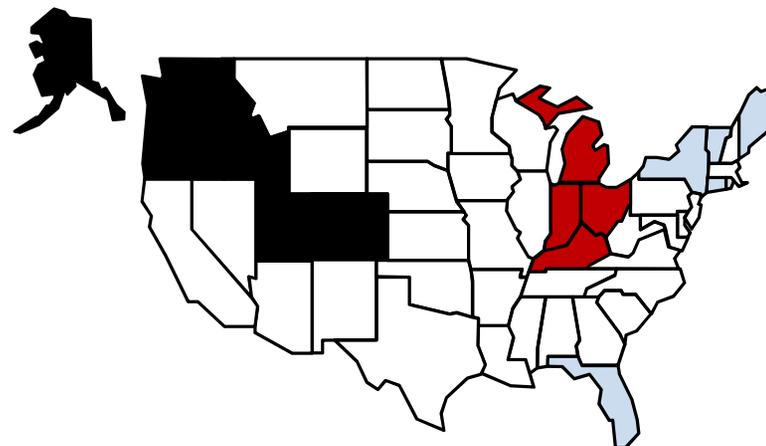


Key -- An Overview

Key Facts

- The 15th largest U.S. bank-based financial services company
- Assets of approximately \$87 billion
- Market capitalization of \$8 billion
- 15,833 employees
- 1,087 branches in three regions
- Unique and diverse geography
 - Building presence in higher-growth markets in Rocky Mountain and Northwest regions
 - Strong market share in Great Lakes and Northeast regions
 - Targeting specific industries in selected states outside branch footprint

Diverse, Advantaged Geography



	Rocky Mountain & Northwest	Great Lakes	Northeast	Corporate Bank
Branches	404	345	338	Maintains offices in all Community Bank regions and across the U.S.
ATMs	582	547	491	
Loans	\$10.6B	\$6.9B	\$5.9B	
Deposits	\$16.0B	\$15.3B	\$15.7B	

Provides combination of profitability and opportunities for growth



Note: Loan and deposit figures in the table exclude assets and liabilities that are not assigned to a specific region
Data as of September 30, 2012

Key -- 3Q12 Highlights

- Net interest income increased 6% to \$578MM, as NIM expanded 17bps to 3.23%
- Growing the franchise
 - Completed acquisition of 37 branches in western New York
 - Re-entered credit card business; acquired Key-branded portfolio
- Improving efficiency through company-wide initiatives
 - Continued focus on expense reduction of \$150-200MM by December 2013
 - On-track to realize \$30-50MM expense reduction by December 2012
 - Closed 16 branches during 3Q12; three additional branches to be closed in 4Q12
- Executing on capital management priorities
 - Redeemed \$707MM of Trust Preferred securities
 - Repurchased 9.6MM shares of common stock



Note: Net interest income presented on a taxable equivalent basis

Balanced, Diverse Retail Network

Our footprint provides growth opportunities throughout our franchise -- it also balances our risk over the course of the economic cycle

- Community Banking model features local leaders owning their markets to acquire and deepen client relationships across all business segments

Western Markets

Expanding presence, high growth potential

- 66 branch denovos or relocations since 2009

Growing, attractive population demographics

- Population and GDP up 16% and 28%, respectively since 2000, above U.S. averages of 10% and 17%
- Household income +8% vs. U.S. average
- Younger, more highly educated population than U.S. average

Industry opportunities

- Significant opportunities in consumer/retail; healthcare; construction; information/technology

Eastern Markets

Established presence, best density

- 63% of Key's branches

Older population with established wealth

- 600k households with \$1MM+ of investable assets within 20-mile radius of Key Private Bank office → \$2.5T total wealth
- Deposits per capita +15% vs. U.S. average

Industry opportunities

- Manufacturing, automotive and other export-driven sectors; education; healthcare
- Emergence of unconventional oil & gas shale plays is \$12B in annual GDP potential that creates opportunities across Key (e.g., Private Banking; commercial banking; investment banking)^(a)



Source: 2010 U.S. Census Bureau data released 9/30/2011 (population, education); U.S. Census Bureau American Community Survey data from 2009 and 2011 (age, household income); Bureau of Economic Analysis June 2012 report (GDP); IXI (household data); Federal Deposit Insurance Corporation data released October 2012 as of June 2012 (deposits); internal Key market data; KeyBanc Capital Markets equity research
(a) KeyBanc Capital Markets equity research

Investing for Growth

We have identified specific growth opportunities across our franchise and are focused on executing to improve performance and drive shareholder returns

	Private Banking	Payments	Healthcare	Corporate Banking
Opportunity	<ul style="list-style-type: none"> Acquire and deepen relationships with high net worth clients across Key's footprint, with a particular focus on business owners currently banked by Key 	<ul style="list-style-type: none"> Provide bundled solutions that will create annuity revenue across business segments Leverage strong service culture to expand existing and drive new client relationships 	<ul style="list-style-type: none"> Expand Key's presence with facilities-based healthcare providers, particularly within our banking footprint 	<ul style="list-style-type: none"> Acquire and deepen relationships with targeted corporate clients within our focus industry sectors
Key Actions	<ul style="list-style-type: none"> Hire business advisory experts Execute targeted collaboration programs across Key Launch Delaware Trust capabilities Invest in client-facing technology 	<ul style="list-style-type: none"> Add new leadership in commercial payments Invest to enhance client information & reporting Execute new merchant services arrangement Acquire relationship credit card assets Begin self-issuance of credit cards 	<ul style="list-style-type: none"> Coordinate across Key to deliver seamlessly for clients -- Virtual Industry Group Hire specialists in corporate & investment banking; payments; equipment finance; and private banking 	<ul style="list-style-type: none"> Focus our business on client sectors where we can win and earn strong risk-adjusted returns Enhance sales coverage through senior banker hiring and disciplined client/prospect targeting

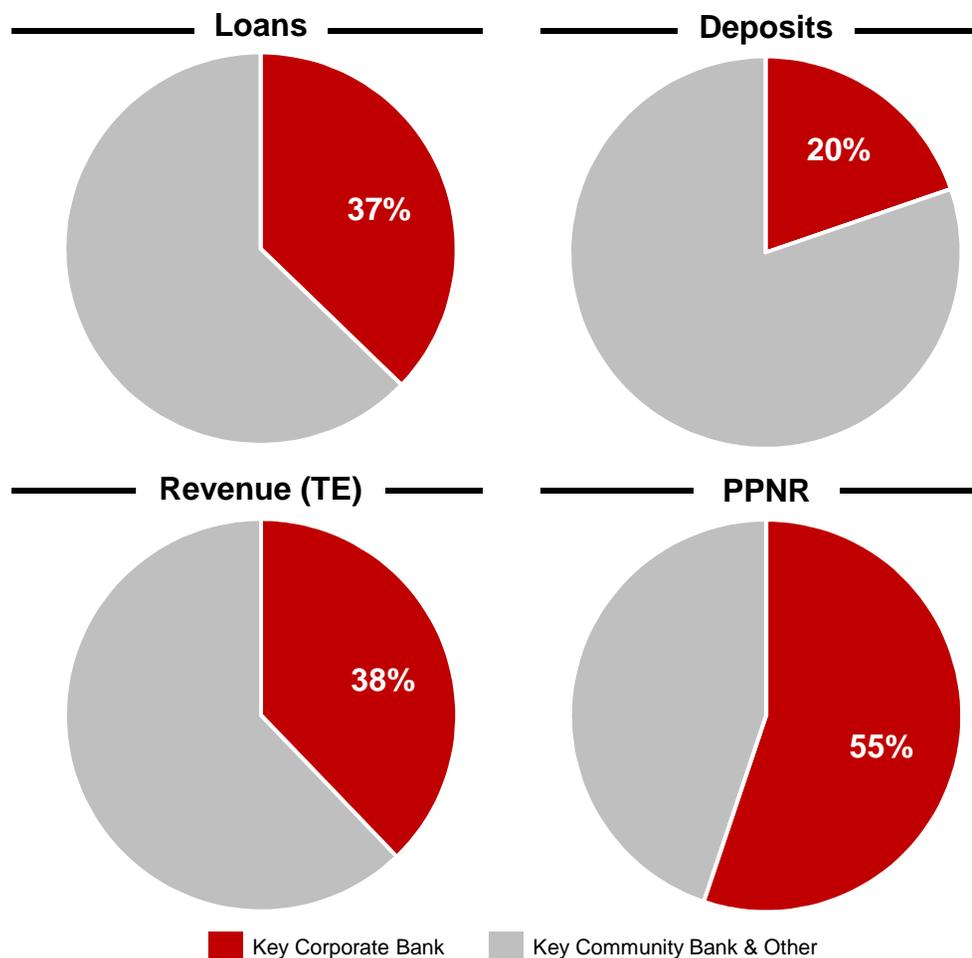


Key Corporate Bank

LTM 3Q12 Statistics^(a)

- 37% of Key's loans and 20% of deposits
 - \$18.4B in loans
 - \$12.0B in deposits, 53% of which are noninterest bearing
- 38% of Key's revenue and 55% of PPNR
 - \$1.6B in revenue (TE)
 - \$870MM in noninterest income (55% of revenue)
 - \$712MM in PPNR^(b)
- 55% efficiency ratio
- 26% ROE
- 2,174 FTE

Contribution to KeyCorp



(a) LTM: Information and data for the twelve months ended September 30, 2012

(b) Non-GAAP measure: see slide 20 of Appendix for reconciliation

Note: Presentation provides detail about Key Corporate Bank, which is comprised of the following business units: Institutional & Capital Markets ("ICM"); Real Estate Capital & Corporate Banking Services ("REC"); and Equipment Finance ("KEF")

Information shown in KeyCorp's SEC filings is presented on a segment basis for Key Community Bank and Key Corporate Bank

Unless noted, all information from this slide forward relates to Key Corporate Bank only

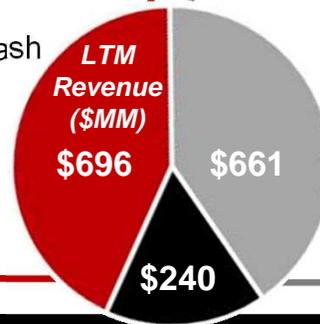
TE = Taxable equivalent: revenue and PPNR calculated using taxable equivalent net interest income



Diverse and Balanced Revenue Mix

Real Estate Capital & Corporate Banking Services

- National franchise focused on REITs, long-term real estate owners and healthcare real estate clients
- Highly rated, scalable third-party commercial loan servicer
- Provides derivatives, foreign exchange and cash management solutions to clients across Key



Institutional & Capital Markets

- Leading middle-market corporate and investment bank, focused on serving consumer, energy, healthcare, industrial, public sector and real estate clients
- Capabilities include financial advisory, debt and equity capital markets, loan syndications, public finance
- Manages investment portfolios for national client base through Victory Capital Management

Key Equipment Finance

- 6th largest bank-owned equipment finance company by net assets^(a)
- Bank Channel supports franchise relationships
- Focused Vendor Channel targets healthcare, software and technology manufacturers

Focus Sectors

Consumer

Energy

Healthcare

Industrial

Public Sector

Real Estate



Note: Revenue figures depicted above are taxable equivalent and for the twelve months ended September 30, 2012

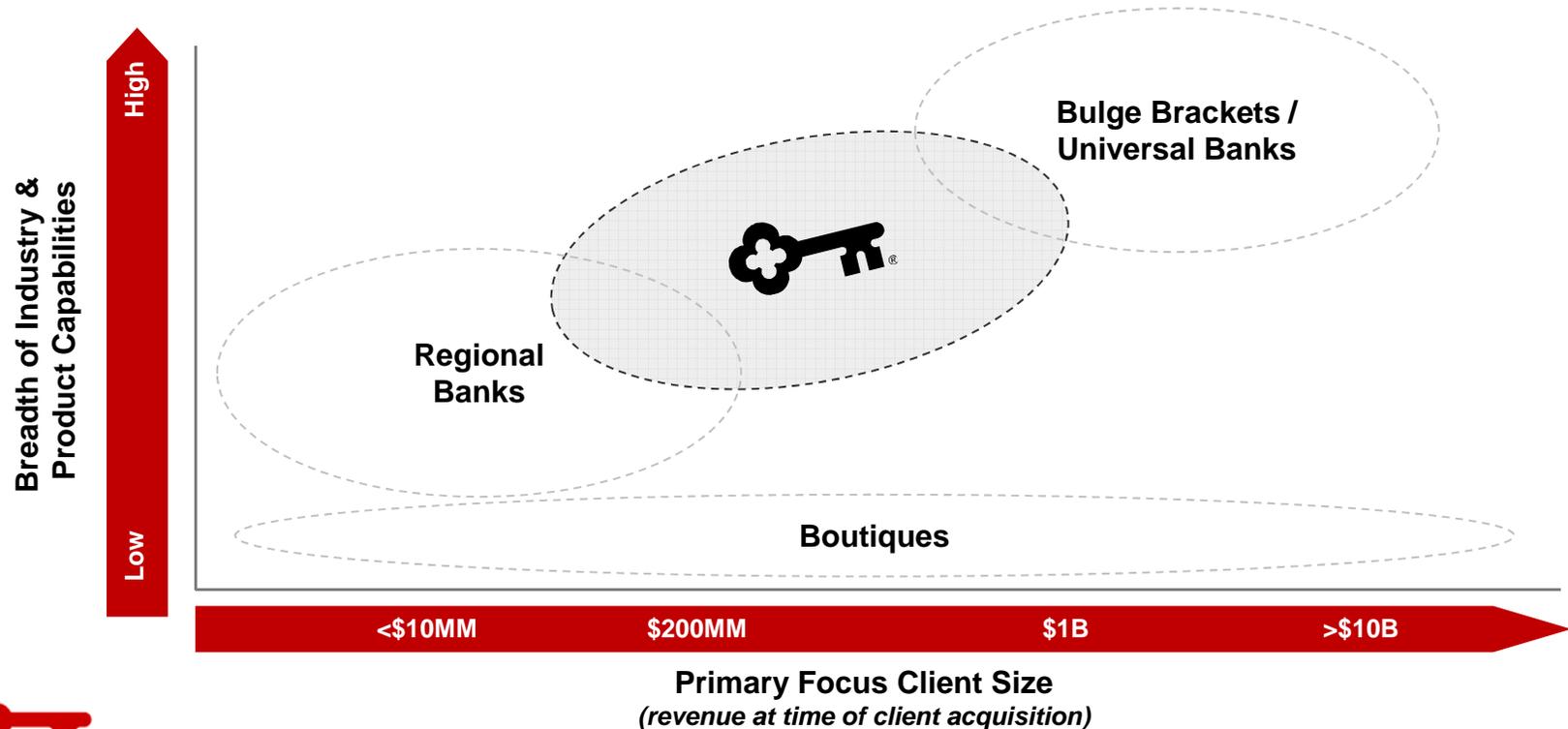
(a) Source: Monitor 100

Our Distinctive Business Model

Our alignment with Key Community Bank provides a unique market position that is compelling to middle market companies and their owners/employees

- Key offers a full breadth of solutions relevant to these clients, including capital markets, industry expertise, payments, equipment finance and private banking
- Better products/expertise than regionals/boutiques; more focused than bulge brackets on the middle market

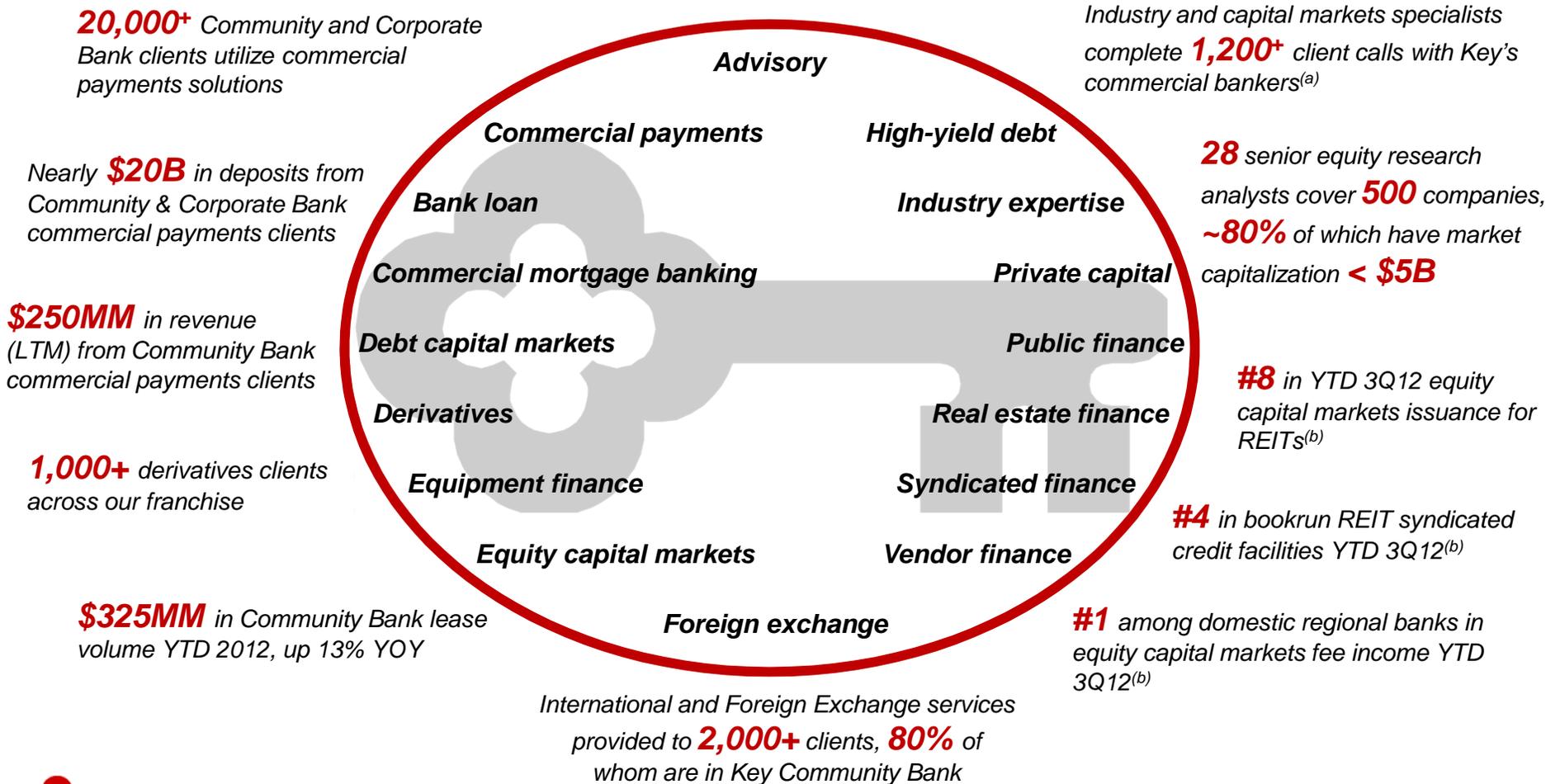
Competitive Landscape for New Client Acquisition



Aligned to Deliver the Whole Bank

Key Corporate Bank is aligned to seamlessly deliver industry expertise and product solutions to clients across Key's franchise

Corporate Bank Capability



Note: All information and data is as of September 30, 2012 unless otherwise noted

(a) Completed calls from tracking inception date of 1/1/2010 through 9/30/2012

(b) Source: Dealogic

Successful Business Transition

Since the financial crisis, we have successfully re-focused our business units to enhance risk-adjusted returns and better serve our targeted clients

	Pre-crisis ^(a)	Today
REC	<p><i>Fragmented, inefficient and higher risk</i></p> <ul style="list-style-type: none"> • 1,000+ clients in multiple sectors • Lower-quality financial results <ul style="list-style-type: none"> – >50% construction loans – \$149MM fee income; \$24B loan commitments – Credit-led sales strategy: 22% fee income 	<p><i>Focused, efficient and de-risked</i></p> <ul style="list-style-type: none"> • Fewer clients in targeted sectors • Strong risk-adjusted results <ul style="list-style-type: none"> – 13% construction loans – LTM: \$238MM fee income; \$11B loan commitments – Enhanced fee income franchise: 42% of revenue
ICM	<p><i>Gaps in expertise and capabilities</i></p> <ul style="list-style-type: none"> • Holes in industry sub-verticals and product groups (e.g., high-yield; sponsors) • Episodic instances of collaboration across Key • Credit-led, narrow sales approach 	<p><i>Refined strategy; more complete team</i></p> <ul style="list-style-type: none"> • Enhanced prospect targeting • Bolstered industry coverage and product capabilities in virtually all areas • Regularly team to deliver for clients • Idea-driven, advisory approach
KEF	<p><i>Unfocused, inefficient and higher risk</i></p> <ul style="list-style-type: none"> • Large, fragmented Vendor franchise <ul style="list-style-type: none"> – 3,000 clients in five major industry groups globally • Significant International operations <ul style="list-style-type: none"> – 120+ FTE in countries across Europe and Asia • Many unprofitable clients 	<p><i>Focused, efficient and de-risked</i></p> <ul style="list-style-type: none"> • Highly focused Vendor franchise <ul style="list-style-type: none"> – 700 clients in three industry sectors • Limited International operations to support U.S. <ul style="list-style-type: none"> – 65 FTE in six Western European countries • Exited 2,000 less profitable relationships; recycling capital to support profitable clients



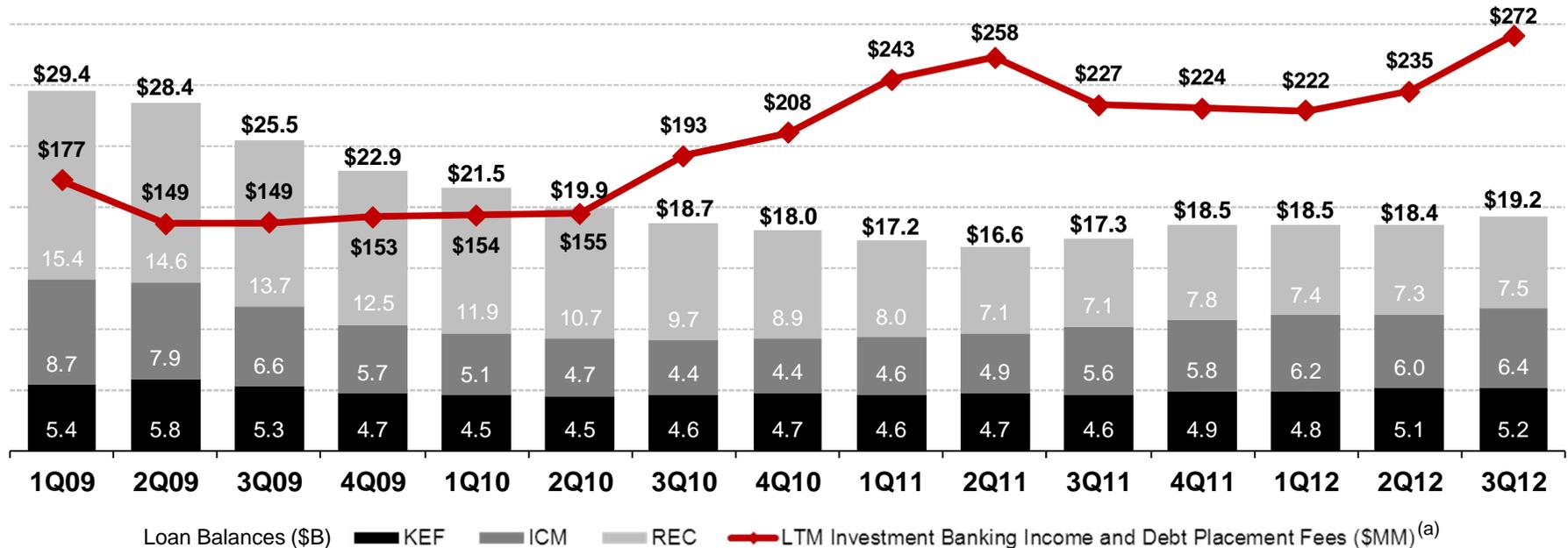
Note: REC information above is for KeyBank Real Estate Capital only and excludes Corporate Banking Services
 (a) Pre-crisis defined as: full-year 2006 for REC and ICM; 2009 for KEF

Past the Inflection Point

Loan balances up \$2.5B (+15%) since 2Q11 trough, driven by new and expanded client relationships

- New ICM clients generate \$1.9B in loan growth since 4Q10 with utilization >50%
- KEF balances up 11% (+530MM) YoY in 3Q12

Loan Balances (\$B) & Investment Banking Income & Debt Placement Fees (\$MM)



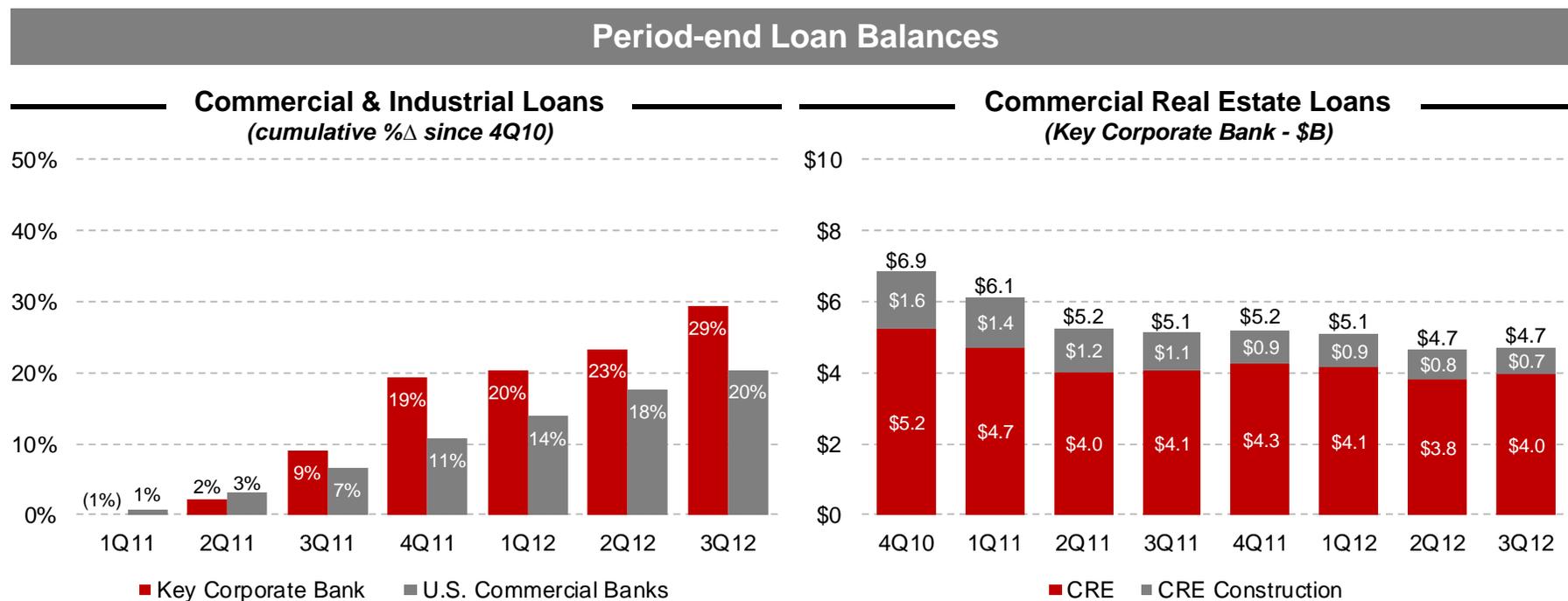
Note: Chart depicts period-end loan balances

(a) Investment Banking Income and Debt Placement Fees as defined in KeyCorp's earnings release - Line of Business Results footnote

Repositioning Our Loan Portfolio

We are growing C&I loan balances in our targeted industry sectors while continuing to reduce our real estate exposure and its risk profile

- C&I growth driven by new and expanded client relationships within our targeted client segments



- Corporate Bank C&I loan balances up \$3.3B (+29%) since 4Q10
 - \$1.0B of this growth is market share gain

- Construction loans are <\$750MM in 3Q12 (<4% of total Corporate Bank balances), vs. peak levels of more than \$6B (>20% of total balances)



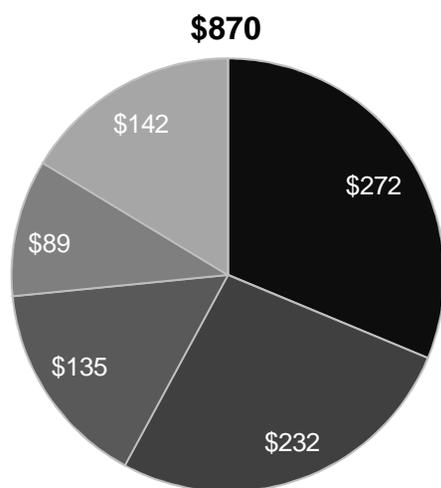
Source: Federal Reserve H8; industry data are not seasonally adjusted

Strong Noninterest Income Generation

Key Corporate Bank has a diverse noninterest income platform

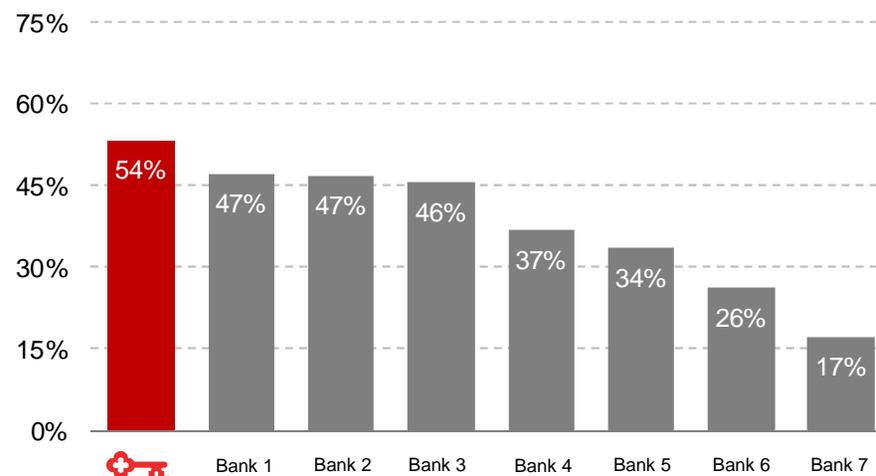
- Significant recent investment in people and capabilities to enhance our ability to generate investment banking & debt placement fees and commercial payments income
- Key Corporate Bank is the most productive fee income franchise among our peers
- We achieved record investment banking & debt placement income of \$82MM in 3Q12

LTM Noninterest Income Breakdown
(\$ in millions)



- Investment Banking & Debt Placement Fees
- Trust & Investment Services Income
- Corporate Services Income
- Operating Lease Income & Other Leasing Gains
- Other Noninterest Income

YTD Noninterest Income %
(commercial banking segment only)



Source: Peer SEC filings and earnings releases; right graph depicts Key Corporate Bank vs. Key's determination of the comparable segment at peer financial institutions. Peer banks include: BAC, CMA, JPM, PNC, STI, USB and WFC.

Rationalizing Our Delivery System

Key Corporate Bank continually seeks to enhance the effectiveness and efficiency of our operations. Our philosophy is to:

- Reduce our cost to serve through FTE reduction and variabilization of fixed costs
- Invest in client-facing senior professionals with existing relationships to leverage our unique platform

Actions to Rationalize Our Delivery System

KEF Initiatives

- Rationalize KEF International operations from 18 countries across continents to six Western European locations
- Tighten International focus to support domestic Vendor operations
- Reduced KEF operations headcount to reflect strategic repositioning and tightened focus

Berkadia Agreement

- Deposit swap and loan servicing agreement between Key and Berkadia
- Enables Key to bid on new Moody's-rated CMBS servicing
- Variabilizes Key's cost structure

Industry Coverage

- Disinvest in sectors without significant near-term opportunities
 - Recently exited clean technology investment banking and equity research as natural gas prices challenge sector viability
- Add to capabilities in sectors with favorable growth dynamics that fit with our model
 - Hired four senior oil & gas bankers since 4Q11

The Impact^(a)

- 150+ FTE reduction
- \$10MM+ fixed expense reduction
- Reduced credit and operational risk
- Positive impact on new business generation



(a) Impact resulting from actions presented; realized over the past six quarters ending with 3Q12

Investing in People to Deliver for Clients

We invest in client-facing senior professionals with existing relationships to broaden our industry expertise, expand our product capabilities and leverage our unique platform

- 80+ senior professionals hired since January 2010
- This investment furthers our relationship-oriented business strategy, leverages our platform and solidifies our distinctive market position

Area of Strategic Senior Hire

Industry Expertise

- Aerospace & defense
- Building products
- Financial sponsors
- Food & beverage
- Healthcare

- Oil & gas
- Public finance
- Public sector
- Restaurants
- Transportation & logistics

Capability

- Equipment finance
- Debt capital markets
- Mergers & acquisitions
- Mortgage banking
- Payments

Financial Results^(a) (from new hires)

- \$150MM+ in total revenue
 - Fee income is nearly 70% of revenue
- \$1.6B in loan commitments with 60%+ utilization



(a) Data represents time period of January 2010 through September 2012

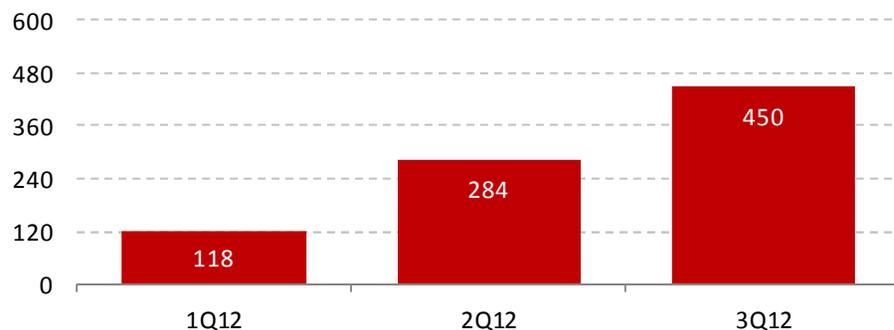
Measuring Our Impact

We are aggressively pursuing client acquisition -- and measuring the efficiency and effectiveness of our actions

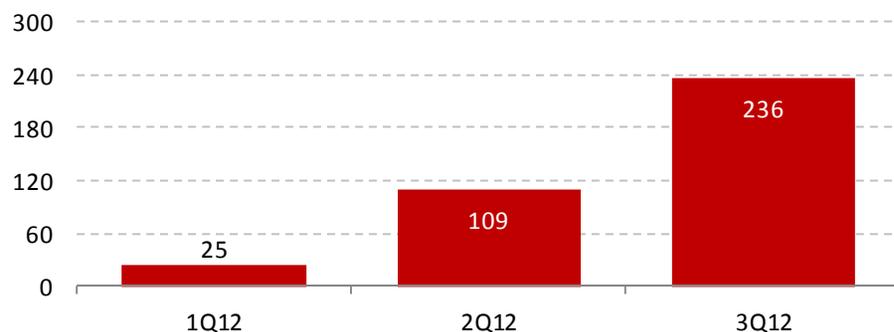
- Created a series of programs structured around acquiring and broadening client relationships

Performance Metrics

New Clients
(Cumulative)



Expanded Relationships
(Cumulative)



2012 YTD

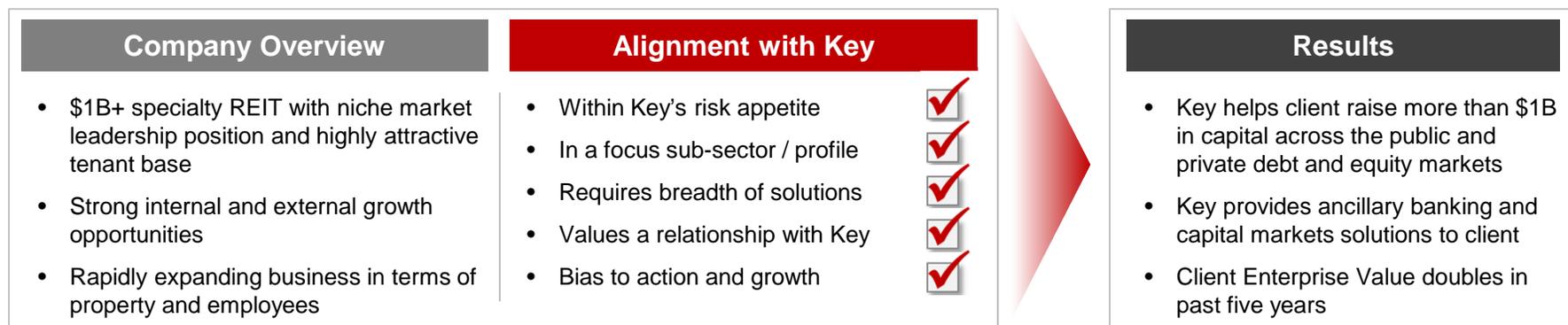
- \$63MM in revenue from new client relationships
- New corporate and investment banking and real estate capital clients have average revenue > \$300k
- \$134MM in revenue from expanded client relationships, an average of > \$550k per client
- Annualized revenue per Corporate Bank FTE of \$730k



Note: New client relationships have YTD revenue exceeding \$5k
Expanded client relationships require YTD revenue to exceed FY11 revenue by more than \$100k

Our Model in Action: Client Example

We collaborate to successfully deliver the breadth of Key's capabilities to our targeted clients



Key's Solutions

Financing Solutions

Other Solutions

<p>Equity Offering</p> <p>\$300MM</p> <p><i>Bookrunner</i></p>	<p>Credit Facility</p> <p>\$250MM</p> <p><i>Lead Arranger</i></p>	<p>Credit Facility</p> <p>\$100MM</p> <p><i>Lead Arranger</i></p>	<p>Credit Facility</p> <p>\$500MM</p> <p><i>Lead Arranger</i></p>	<p>Equity Research</p> <p><i>Provider</i></p>	<p>Equity Capital Markets</p> <p><i>Sales & Trading Support</i></p>
	<p>Equity Offering</p> <p>\$100MM</p> <p><i>Co-Manager</i></p>	<p>Equity Offering</p> <p>\$100MM</p> <p><i>Co-Manager</i></p>	<p>Debt Offering</p> <p>\$500MM</p> <p><i>Co-Manager</i></p>	<p>Payments</p> <p><i>Provider</i></p>	<p>Derivatives</p> <p><i>Provider</i></p>



Appendix



GAAP to Non-GAAP Reconciliation

Key Corporate Bank

\$ in millions

Pre-Provision net revenue	4Q11	1Q12	2Q12	3Q12	Total LTM
Net interest income (TE)	\$ 175	\$ 187	\$ 182	\$ 182	\$ 726
Noninterest income	236	214	210	210	870
Total Revenue	411	401	392	392	1,596
Less: Depreciation and amortization	13	13	13	11	50
Other noninterest expense	213	218	205	198	834
Pre-provision net revenue (non-GAAP)	<u>\$ 185</u>	<u>\$ 170</u>	<u>\$ 174</u>	<u>\$ 183</u>	<u>\$ 712</u>

