Barclays 2013 Global Financial Services Conference

KeyCorp

Focused Forward

Don Kimble
Chief Financial Officer

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION DISCLOSURE

This presentation contains forward-looking statements, including statements about our financial condition, results of operations, asset quality trends, capital levels and profitability. Forward-looking statements can often be identified by words such as "goal," "objective," "plan," "expect," "anticipate," "intend," "project," "believe," or "estimate." Forward-looking statements represent management's current expectations and forecasts regarding future events. If underlying assumptions prove to be inaccurate or unknown risks or uncertainties arise, actual results could vary materially from these projections or expectations.

Risks and uncertainties include but are not limited to: (1) continued strain on the global financial markets; (2) the slow progress of the U.S. economic recovery; changes in trade, monetary and fiscal policies; (3) our ability to anticipate interest rate changes correctly and manage interest rate risk; (4) changes in local, regional and international business, economic or political conditions; (5) regulatory initiatives in the U.S., including the Dodd-Frank Act, subjecting us to new and more stringent regulatory requirements; (6) the increase in unemployment or deterioration in real estate asset values or their failure to recover for an extended period of time; (7) adverse changes in credit quality trends; (8) our ability to determine accurate values of certain assets and liabilities; (9) adverse behaviors in securities, public debt, and capital markets ; (10) unanticipated changes in our liquidity position, including but not limited to, changes in the cost of liquidity, our ability to enter the financial markets and to secure alternative funding sources; (11) the soundness of other financial institutions; (12) our ability to satisfy new capital and liquidity standards such as those imposed by the Dodd-Frank Act and those adopted by the Basel Committee; (13) our ability to receive dividends from our subsidiary, KeyBank; (14) downgrades in our credit ratings and the credit ratings of KeyBank; (15) our ability to timely and effectively implement our strategic initiatives; (16) operational or risk management failures; breaches of security or failures of our technology systems due to technological or other factors and cybersecurity threats; (17) the occurrence of natural or man-made disasters or conflicts or terrorist attacks; (18) the adequacy of our risk management programs; (19) adverse judicial proceedings; (20) increased competitive pressure due to industry consolidation; (21) our ability to attract and retain talented executives and employees, to effectively sell additional products or services to new or existing customers, and to manage our reputational risks; and (22) unanticipated adverse effects of acquisitions and dispositions of assets or businesses.

We provide greater detail regarding these factors in our 2012 Form 10-K and subsequent filings, which are available online at www.key.com/ir and www.sec.gov. Forward looking statements speak only as of the date they are made and Key does not undertake any obligation to update the forward-looking statements to reflect new information or future events.

This presentation also includes certain Non-GAAP financial measures related to "tangible common equity," "Tier 1 common equity," "pre-provision net revenue," "cash efficiency ratio," and "adjusted cash efficiency ratio." 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.

Delivering Results

What We've Done	Results
Executed strategies to drive organic growth Invested in franchise Improved efficiency and cost structure Strengthened risk profile Remained disciplined in executing capital priorities	✓ Over 700 new and 400 expanded relationships in the Corporate Bank over the past year ✓ Successful integration of acquisitions - performing at or above plans ✓ $171 MM annualized expense savings through 2Q13 ✓ 65% cash efficiency ratio in 2Q13, excluding charges related to the efficiency initiative ✓ Consolidated 5% of branches through 2Q13 ✓ Building culture of continuous improvement ✓ NCOs to average loans down 77 bps from 2Q11 ✓ Peer leading capital position with one of the highest payout ratios among peers [a]

(a) Payout based on 2013 CCAR submission and generally available industry data

Focused *Forward*: Distinctive Relationship Banking

Relationship-based strategy and value proposition centered on:

Community Bank ⟺ **Corporate Bank**

People & Client Knowledge

Understand the client and their environment, gaining meaningful insight

Products & Services

Unique products and services addressing client needs in differentiated ways

Client Experience & Delivery

Delivering products and services to clients when, where and how they choose

Business Model: Aligned and Targeted

Local delivery of broad product set and industry expertise

Traditional Bank Products

- *Loans*
- *Deposits & payments*
- *Equipment finance*
- *Wealth management & private banking*

Capital Markets Capabilities

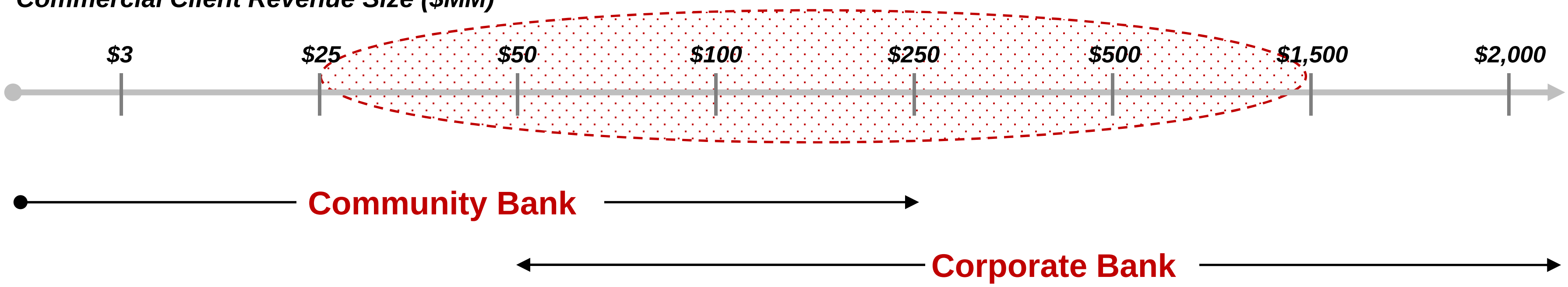
- *Commercial mortgage banking*
- *Derivatives & foreign exchange*
- *Equity capital markets*
- *Equity research*
- *M&A / financial sponsors / leveraged finance*
- *Investment grade & high-yield debt*
- *Loan syndications*
- *Public finance*

Targeted Industries

Consumer | Energy | Healthcare | Industrial | Public Sector | Real Estate

Key's Competitive Advantage

Commercial Client Revenue Size ($MM)



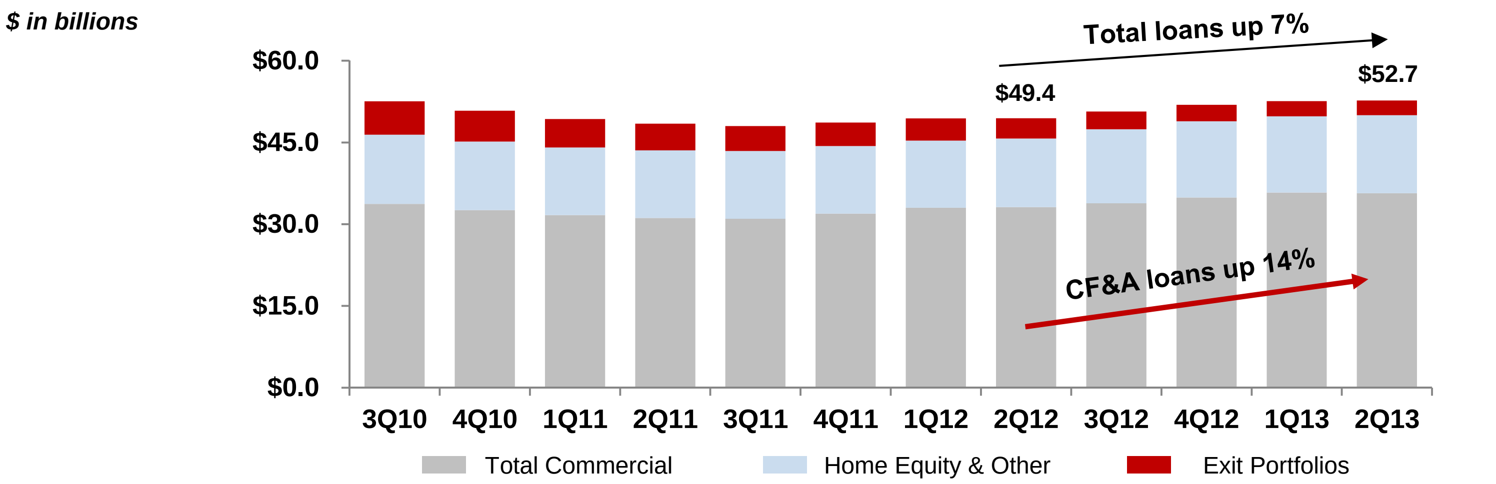
Progress on Targets for Success

Focus Areas	Metrics [a]	KEY FY11	KEY FY12	KEY 2Q13 YTD	Targets
Efficient balance sheet	Loan to deposit ratio [b]	87%	86%	84%	90-100%
Moderate risk profile	NCOs to average loans	1.11%	.69%	.36%	40-60 bps
	Provision to average loans	(.12)%	.45%	.32%	
High quality, diverse revenue streams	Net interest margin	3.16%	3.21%	3.18%	>3.50%
	Noninterest income to total revenue	44%	46%	42%	>40%
Positive operating leverage	Adj. cash efficiency ratio (ex. efficiency initiative charges) [c]	68%	67%	65%	60-65%
Strategy execution	Return on average assets	1.17%	1.05%	.97%	1.00-1.25%

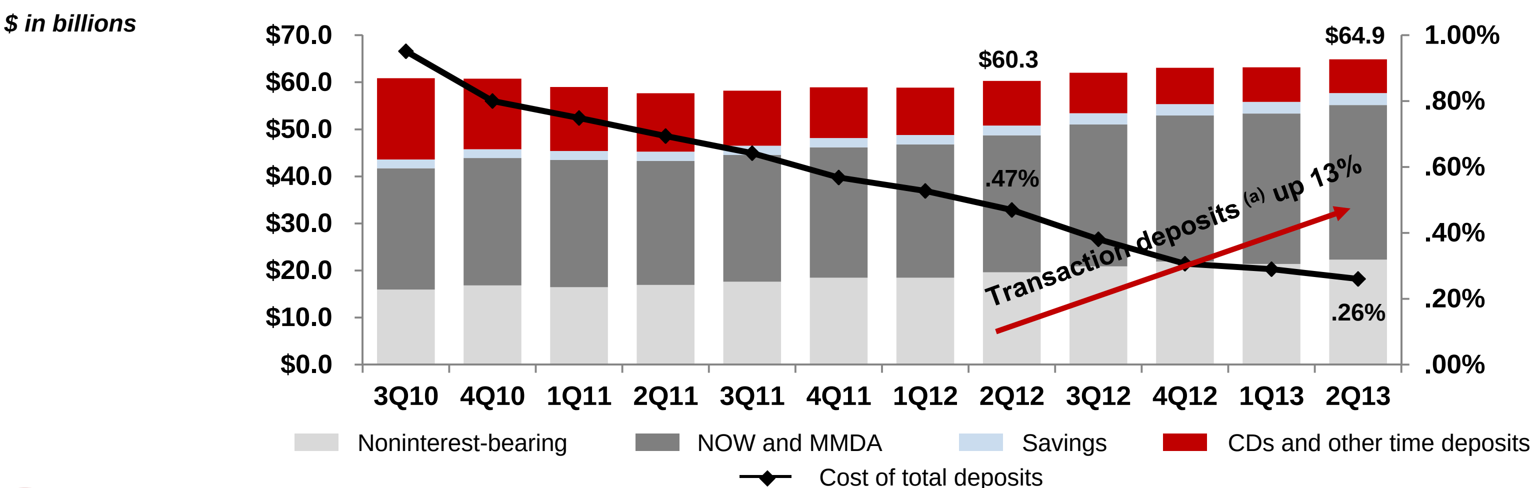
(a) Continuing operations, unless otherwise noted
(b) Represents period-end consolidated total loans and loans held for sale (excluding education loans in the securitization trusts) divided by period-end consolidated total deposits (excluding deposits in foreign office)
(c) Excludes intangible asset amortization; non-GAAP measure: see Appendix for reconciliation

Efficient Balance Sheet: Improving Balance Sheet Mix

Average Loans Continue to Increase, Driven by CF&A



Growth in Average Non-time Deposits with Improved Funding Cost

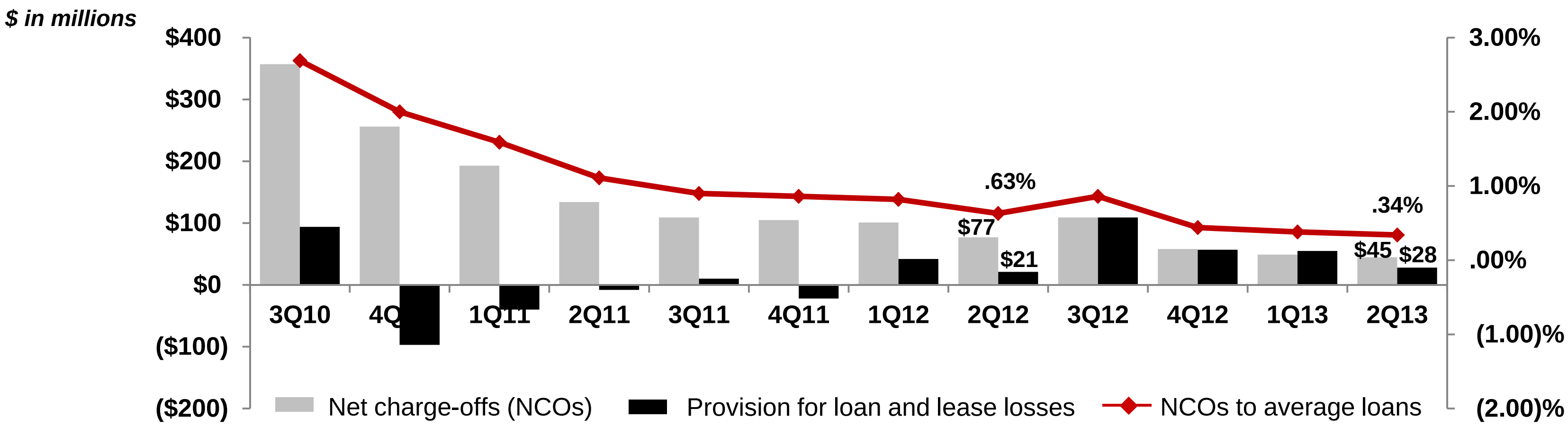


Note: Loan and deposit figures represent average balances; deposits exclude deposits in foreign office

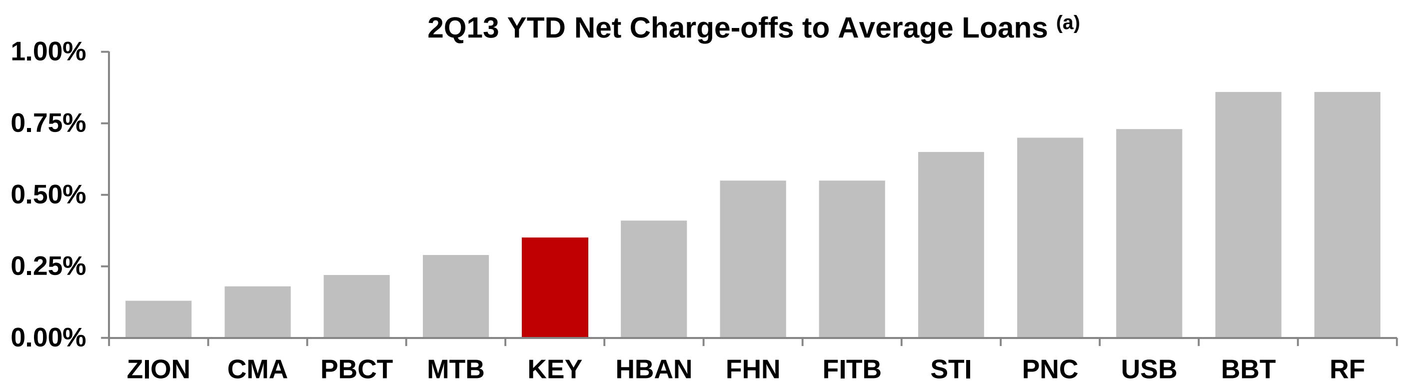
(a) Transaction deposits include noninterest-bearing, NOW, and MMDA

Moderate Risk Profile: Strong Credit Quality

Significant Improvement in Credit Quality Trends



Maintaining Moderate Risk Profile

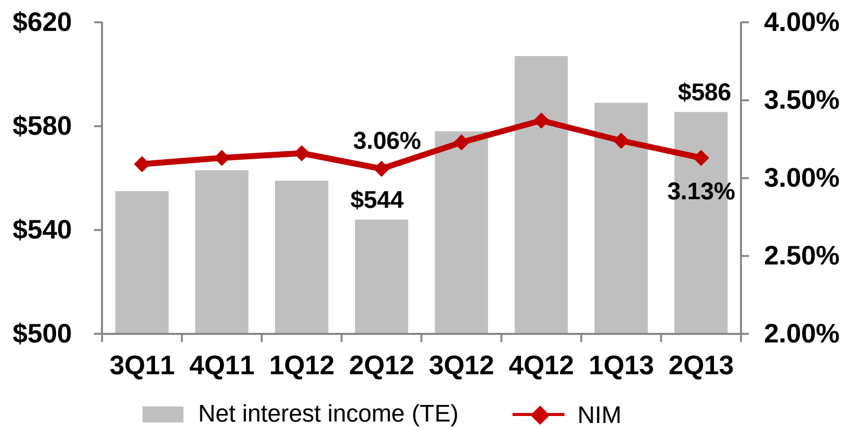


(a) Peer group data source: SNL

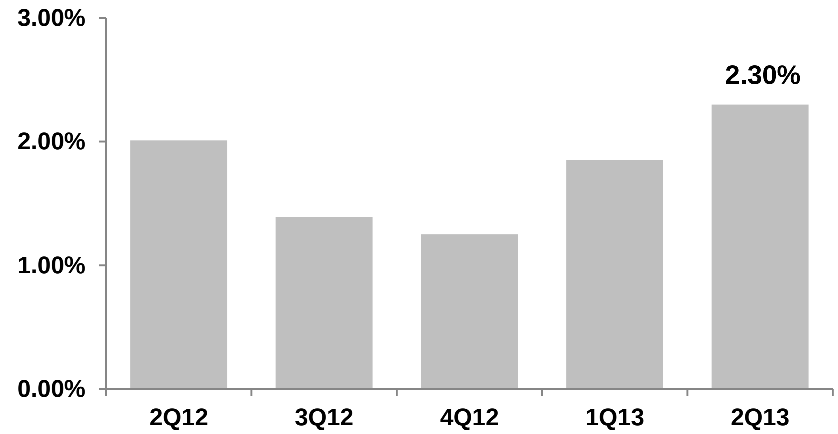
Diverse Revenue: Net Interest Income

Net Interest Income & Net Interest Margin (TE) Trend

$ in millions
Continuing Operations



Asset Sensitivity



Simulated change in net interest income to a 200 bps rise in interest rates over a one-year period

Swap portfolio provides flexibility to quickly adjust interest rate risk position

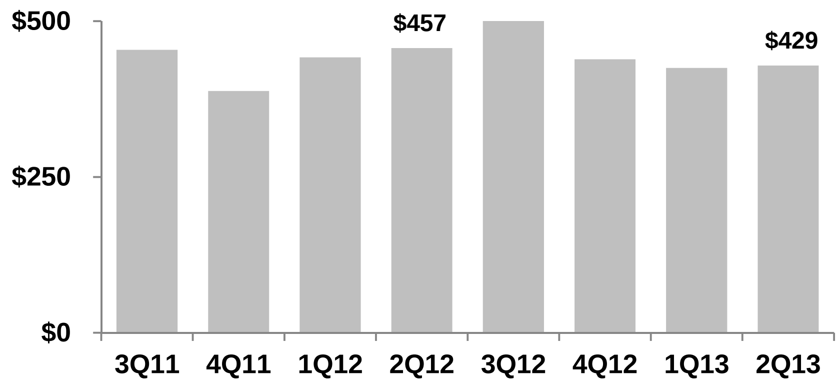
$11.2 billion in conventional A/LM receive fixed/ pay variable swaps at 6/30/13; average life of 2.3 years

TE = Taxable equivalent

Diverse Revenue: Noninterest Income

Noninterest Income

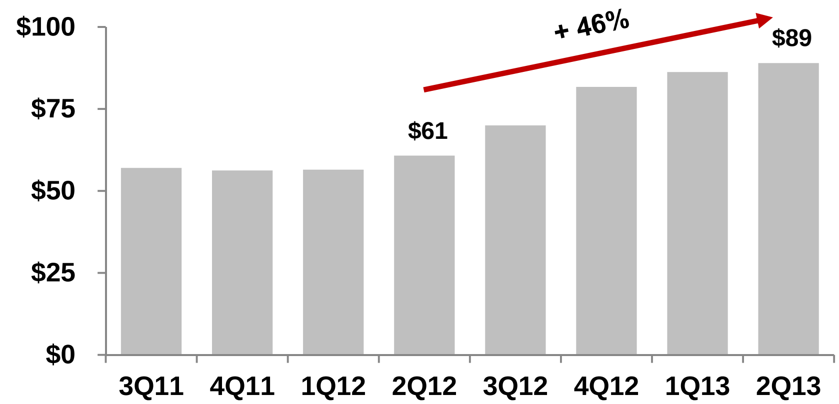
Continuing Operations
$ in millions



Investment Banking & Debt Placement Fees

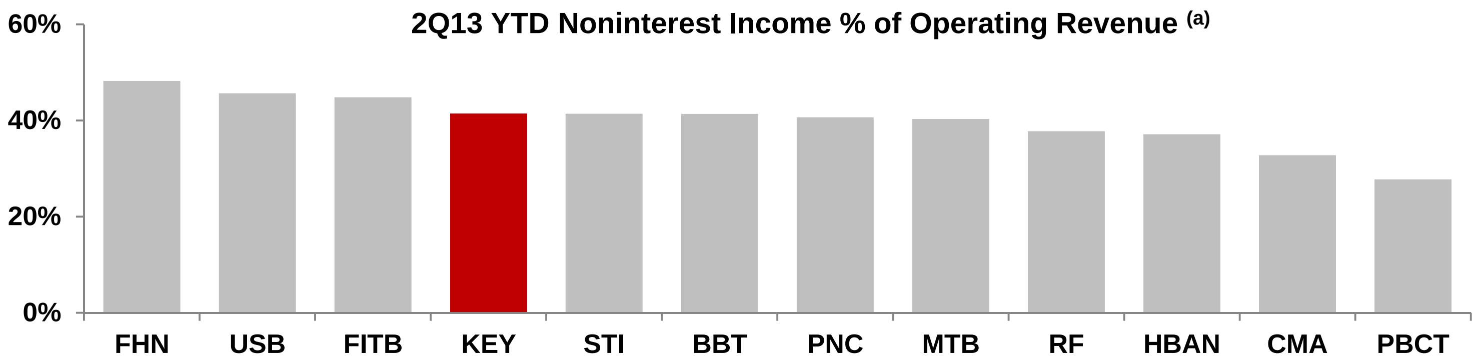
$ in millions

Rolling Four Quarter Average



Expanding Relationships and Driving Fee-Based Businesses

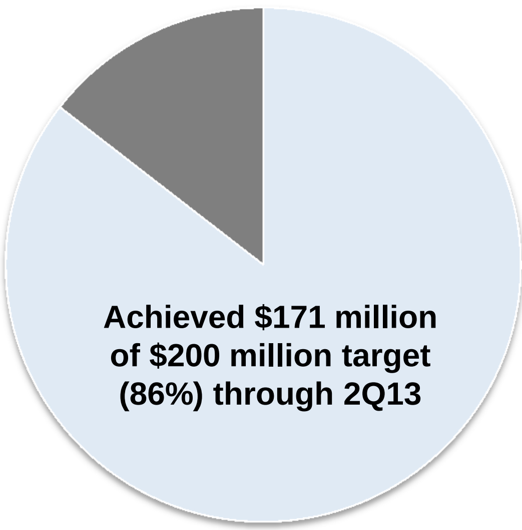
2Q13 YTD Noninterest Income % of Operating Revenue [(a)]



TE = Taxable equivalent
(a) Peer group data source: SNL

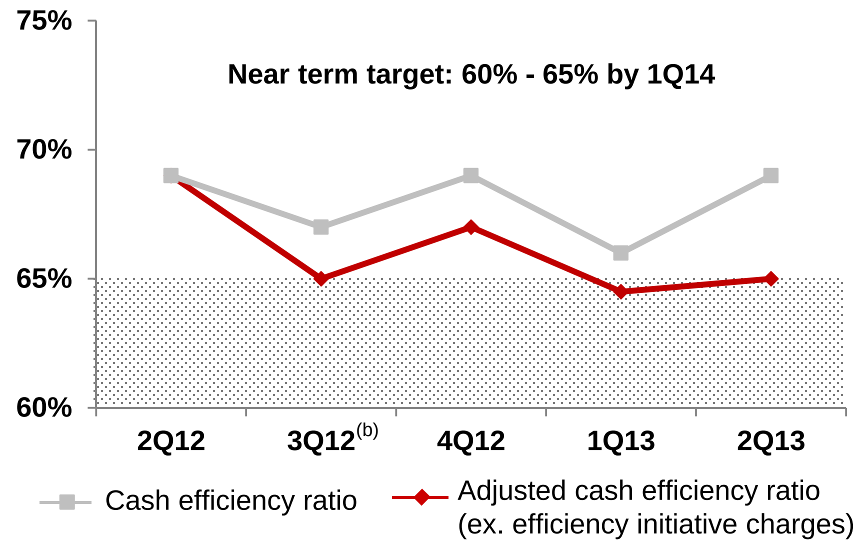
Operating Leverage: Efficiency Initiative

$200 Million Cost Reduction Target



- **Significant progress made 2Q13, including:**
  - **33 branch closures, part of overall plans to consolidate approximately 7% of branches by year-end**
  - **Realigned Community Bank structure to improve client focus, efficiency and productivity**

Efficiency Ratio [a]



(a) Non-GAAP measures: see Appendix for reconciliation
(b) Excludes one-time gains of $54 million related to the redemption of trust preferred securities

Strategy Execution: Actively Managing Businesses

Key evaluates all of its businesses to maximize long-term value, aligning core businesses with core competencies

Consumer and commercial payments Online and mobile channels	**Invest and Develop**	**New**	Credit card Western NY branch acquisition
Victory Capital Management Education and indirect lending	**Exit**	**Reinvent**	Key Merchant Services Commercial real estate Bank of America / Berkadia Branch optimization

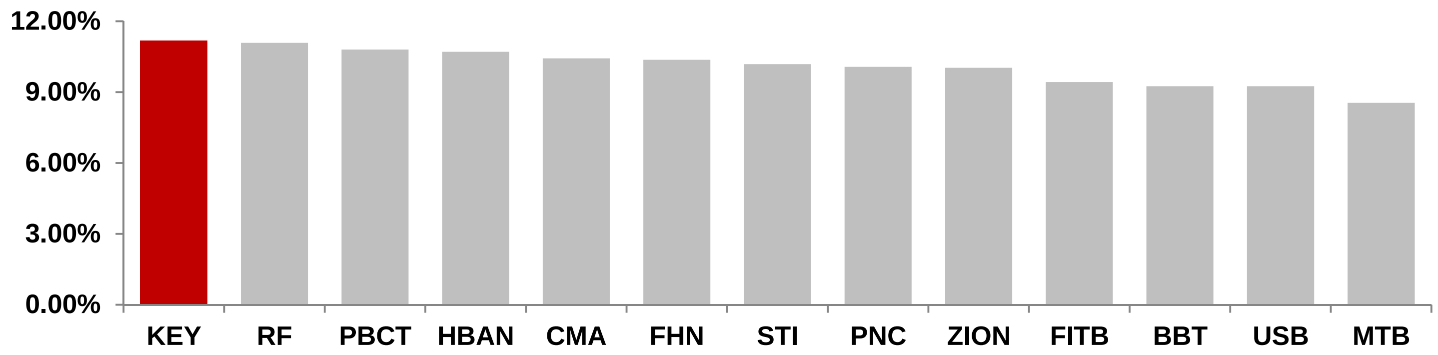
Strategy Execution: Disciplined Capital Management

Executing on Capital Priorities

1. Organic Growth
2. Dividends
3. Share Repurchases
4. Opportunistic Growth

Strong Capital Position is a Competitive Strength Over Time

6/30/13 Tier 1 Common Equity [a]



(a) Peer group data source: SNL

Focused *Forward*

Key is well-positioned to grow and improve returns

- Executing on distinctive capabilities and business alignment
- Investing in franchise to enhance growth
- Improving balance sheet and operating efficiency
- Maintaining moderate risk profile
- Remaining disciplined with capital management

Appendix

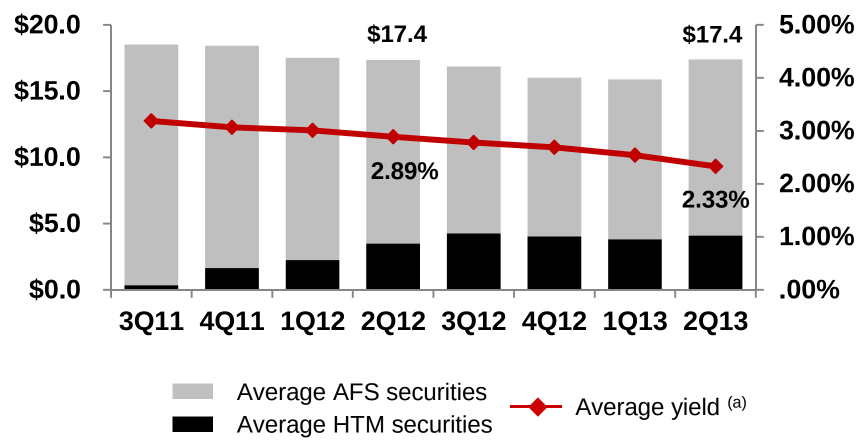
High Quality Investment Portfolio

Highlights

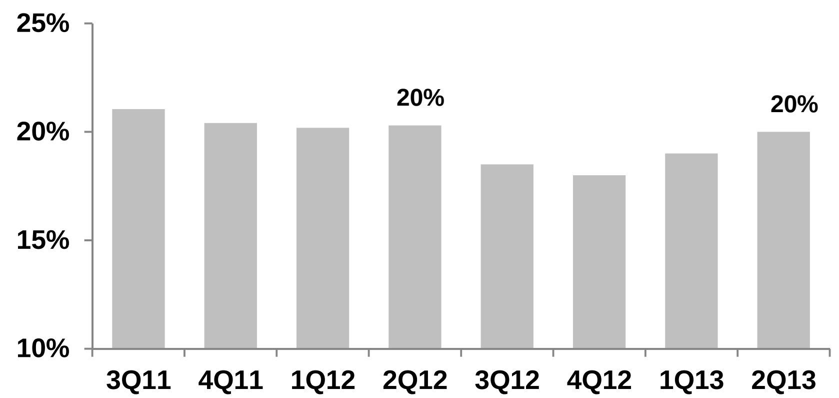
- Portfolio composed of Agency or GSE backed CMOs: Fannie, Freddie & GNMA
  - No private label MBS or financial paper
- Average portfolio life at 6/30/13 of 3.2 years compared to 2.8 years at 3/31/13
- Unrealized net gain of $133 million on available-for-sale securities portfolio at 6/30/13
- Securities cash flows of $1.5 billion in both 2Q13 and 1Q13
- Average portfolio balances higher by $1.6 billion compared to 1Q13 due to investment of excess liquidity
- Yields on purchases were 137 bps lower than 2Q13 maturities

Average Total Investment Securities

$ in billions



Securities to Total Assets (b)



(a) Yield is calculated on the basis of amortized cost

(b) 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 [b] / average loans (%)		Nonperforming loans [c]		Ending allowance	Allowance / period-end loans [d] (%)	Allowance / NPLs (%)
	6/30/13	2Q13	2Q13	1Q13	2Q13	1Q13	6/30/13	3/31/13	6/30/13	6/30/13	6/30/13
Commercial, financial and agricultural [a]	$23,715	$23,480	$ 8	$ 2	.14	.03	$ 146	$ 142	$ 352	1.48	241.10
Commercial real estate:											
Commercial Mortgage	7,474	7,494	(2)	8	(.11)	.43	106	114	182	2.44	171.70
Construction	1,060	1,049	1	(7)	.38	(2.75)	26	27	34	3.21	130.77
Commercial lease financing	4,774	4,747	(2)	2	(.17)	.17	14	12	61	1.28	435.71
Real estate – residential mortgage	2,176	2,176	4	6	.74	1.12	94	96	33	1.52	35.11
Home equity:											
Key Community Bank	10,173	9,992	14	16	.56	.66	205	199	94	.92	45.85
Other	375	389	5	4	5.16	3.93	16	18	16	4.27	100.00
Consumer other – Key Community Bank	1,424	1,392	5	7	1.44	2.11	3	3	33	2.32	N/M
Credit cards	701	697	6	8	3.45	4.61	11	13	33	4.71	300.00
Consumer other:											
Marine	1,160	1,206	5	3	1.66	.93	30	25	35	3.02	116.67
Other	69	74	1	-	5.42	-	1	1	3	4.35	300.00
Continuing total [e]	**$53,101**	**$52,696**	**$ 45**	**$ 49**	**.34**	**.38**	**$ 652**	**$ 650**	**$ 876**	**1.65**	**134.36**
Discontinued operations	4,992	5,016	7	12	1.04	1.75	19	15	41	.82	215.79
Consolidated total	**$58,093**	**$57,712**	**$ 52**	**$ 61**	**.38**	**.45**	**$ 671**	**$ 665**	**$ 917**	**1.58**	**136.66**

N/M = Not Meaningful

(a) 6-30-13 ending loan balances include $96 million of commercial credit card balances; 6-30-13 average loan balances include $96 million of assets from commercial credit cards

(b) Net loan 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

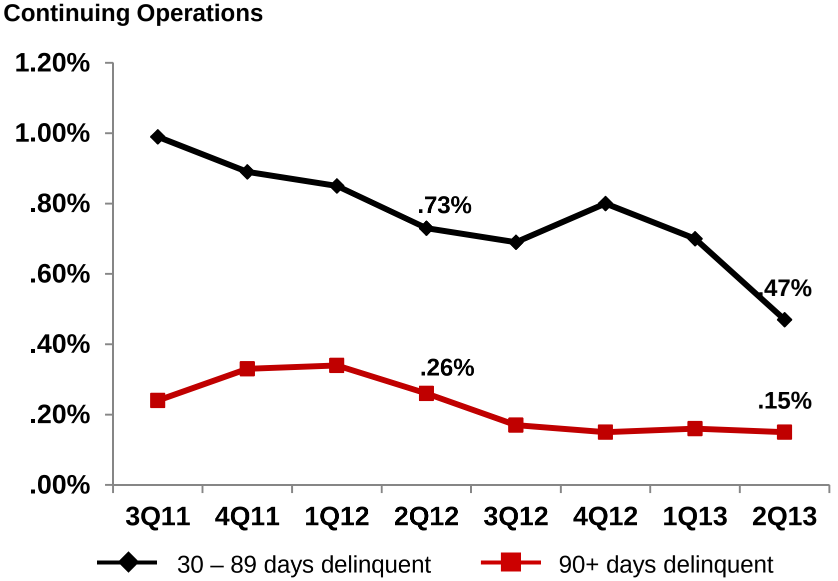
(c) 6-30-13 and 3-31-13 NPL amounts exclude $19 million and $22 million respectively of purchased credit impaired loans acquired in July 2012.

(d) Allowance/period loans ratios for discontinued operations and consolidated Key exclude education loans in the securitization trusts since valued at fair-market value

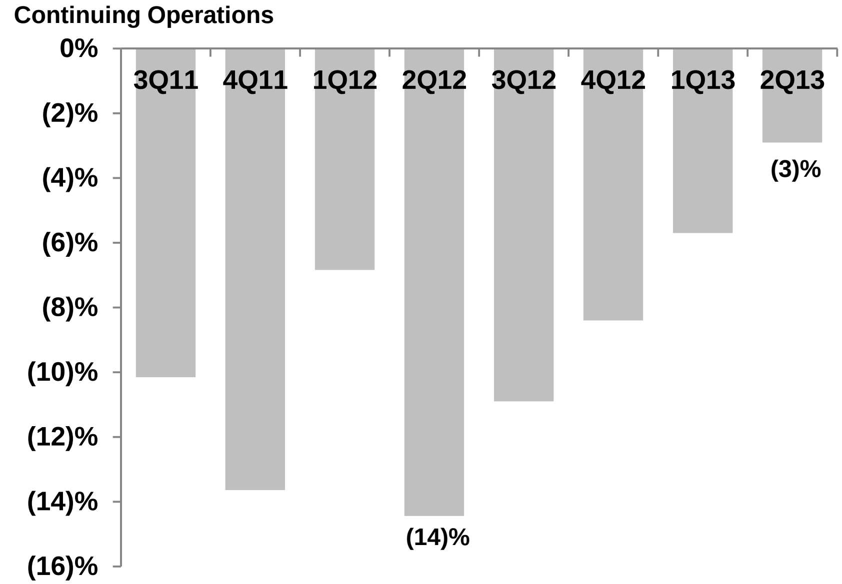
(e) 6-30-13 ending loan balances include purchased loans of $187 million of which $19 million were purchased credit impaired

Asset Quality Trends

Delinquencies to Period-end Total Loans



Quarterly Change in Criticized Outstandings [a]



Metric [b]	2Q13		1Q13		4Q12		3Q12		2Q12	
Delinquencies to EOP total loans: 30 -89 days	.47	%	.70	%	.80	%	.69	%	.73	%
Delinquencies to EOP total loans: 90+ days	.15		.16		.15		.17		.26	
NPLs to EOP portfolio loans	1.23		1.24		1.28		1.27		1.32	
NPAs to EOP portfolio loans + OREO + Other NPAs	1.30		1.34		1.39		1.39		1.51	
Allowance for loan losses to period-end loans	1.65		1.70		1.68		1.73		1.79	
Allowance for loan losses to NPLs	134.36		137.38		131.75		135.99		135.16	

(a) Loan and lease outstandings
(b) From continuing operations

Home Equity Loans – 6/30/13

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) 2012 and later	2011	2010	2009	2008 and prior
Home equity loans and lines										
First lien	$ 5,789	$ 66,976	763	67 %	.6 %	36 %	7 %	4 %	5 %	48 %
Second lien	4,384	47,701	759	76	3.1	22	6	4	5	63
Total home equity loans and lines	$ 10,173	$ 57,043	761	71	1.8	29	7	4	5	55
Nonaccrual loans										
First lien	$ 110	$ 59,629	713	73 %	.5 %	2 %	3 %	3 %	5 %	87 %
Second lien	95	48,173	710	78	2.6	1	2	1	4	92
Total home equity nonaccrual loans	$ 205	$ 53,717	712	75	1.3	1	2	2	5	90
Community Bank - Home Equity										
Second quarter net charge-offs	$ 14					-	-	2 %	6 %	92 %
Net loan charge-offs to average loans	.56 %									

Exit Portfolio – Home Equity

$ in millions, except average loan size

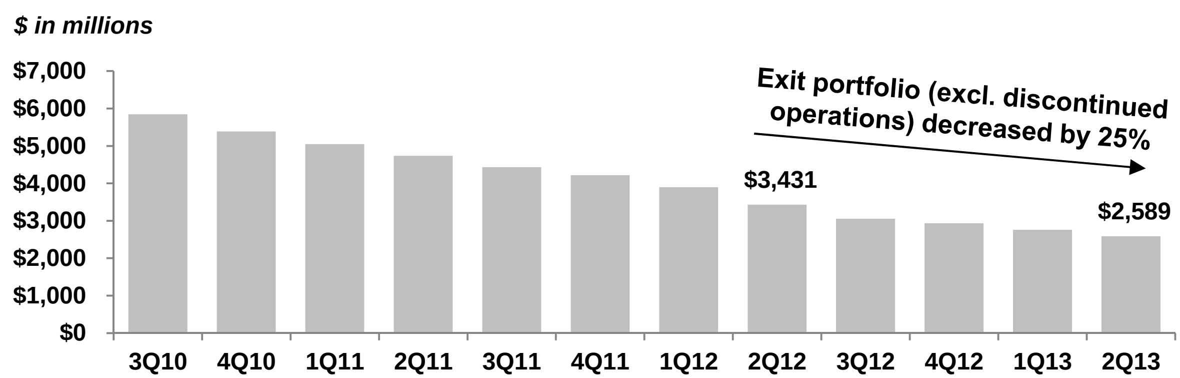
	Loan Balances	Average Loan Size ($)	Average FICO	Average LTV (a)	% of Loans LTV>90%	Vintage (% of Loans) 2012 and later	2011	2010	2009	2008 and prior
Home equity loans and lines										
First lien	$ 17	$ 22,727	744	35 %	.3 %	-	-	-	1 %	99 %
Second lien	358	23,283	729	82	32.3	-	-	-	-	100
Total home equity loans and lines	$ 375	$ 23,257	730	80	30.9	-	-	-	-	100
Nonaccrual loans										
First lien	$ 1	$ 19,302	722	35 %	-	-	-	-	-	100 %
Second lien	15	25,309	707	81	32.4 %	-	-	-	-	100
Total home equity nonaccrual loans	$ 16	$ 24,991	707	79	31.1	-	-	-	-	100
Exit Portfolio - Home Equity										
Second quarter net charge-offs	$ 5					-	-	-	-	100 %
Net loan charge-offs to average loans	5.16 %									

(a) Average LTVs are at origination. Current average LTVs for Community Bank total home equity loans and lines is approximately 75%, which compares to 78% at the end of the first quarter 2013.

Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding		Change	Net Loan Charge-offs		Balance on Nonperforming Status	
	6-30-13	3-31-13	6-30-13 vs. 3-31-13	2Q13 [c]	1Q13 [c]	6-30-13	3-31-13
Residential properties – homebuilder	$ 26	$ 29	$ (3)	$ 1	-	$ 8	$ 10
Marine and RV floor plan	28	29	(1)	-	$ (3)	7	6
Commercial lease financing [a]	931	966	(35)	(2)	(5)	1	6
Total commercial loans	985	1,024	(39)	(1)	(8)	16	22
Home equity – Other	375	401	(26)	5	4	16	18
Marine	1,160	1,254	(94)	5	3	31	26
RV and other consumer	69	79	(10)	1	-	-	-
Total consumer loans	1,604	1,734	(130)	11	7	47	44
Total exit loans in loan portfolio	**$ 2,589**	**$ 2,758**	**$ (169)**	**$ 10**	**$ (1)**	**$ 63**	**$ 66**
Discontinued operations – education lending business (not included in exit loans above) [b]	$ 4,992	$ 5,086	$ (94)	$ 7	$ 12	$ 19	$ 15



(a) Includes (1) the business aviation, commercial vehicle, office products, construction and industrial leases; (2) Canadian lease financing portfolios; and (3) all remaining balances related to lease in, lease out; sale in, lease out; service contract leases; and qualified technological equipment leases
(b) Includes loans in Key's consolidated education loan securitization trusts
(c) Credit amounts indicate recoveries exceeded charge-offs

GAAP to Non-GAAP Reconciliation

$ in millions

	Three months ended		
	6-30-13	3-31-13	6-30-12
Tangible common equity to tangible assets at period end			
Key shareholders' equity (GAAP)	$ 10,229	$ 10,340	$ 10,155
Less: Intangible assets [(a)]	1,021	1,024	932
Preferred Stock, Series A [(b)]	282	291	291
Tangible common equity (non-GAAP)	$ 8,926	$ 9,025	$ 8,932
Total assets (GAAP)	$ 90,639	$ 89,198	$ 86,523
Less: Intangible assets [(a)]	1,021	1,024	932
Tangible assets (non-GAAP)	$ 89,618	$ 88,174	$ 85,591
Tangible common equity to tangible assets ratio (non-GAAP)	9.96 %	10.24 %	10.44 %
Tier 1 common equity at period end			
Key shareholders' equity (GAAP)	$ 10,229	$ 10,340	$ 10,155
Qualifying capital securities	339	339	339
Less: Goodwill	979	979	917
Accumulated other comprehensive income (loss) [(c)]	(359)	(204)	(109)
Other assets [(d)]	101	106	71
Total Tier 1 capital (regulatory)	9,847	9,798	9,615
Less: Qualifying capital securities	339	339	339
Preferred Stock, Series A [(b)]	282	291	291
Total Tier 1 common equity (non-GAAP)	$ 9,226	$ 9,168	$ 8,985
Net risk-weighted assets (regulatory) [(d)]	$ 82,528	$ 80,400	$ 77,236
Tier 1 common equity ratio (non-GAAP)	11.18 %	11.40 %	11.63 %
Pre-provision net revenue			
Net interest income (GAAP)	$ 581	$ 583	$ 538
Plus: Taxable-equivalent adjustment	5	6	6
Noninterest income (GAAP)	429	425	457
Less: Noninterest expense (GAAP)	711	681	693
Pre-provision net revenue from continuing operations (non-GAAP)	$ 304	$ 333	$ 308

(a) Three months ended June 30, 2013 and March 31, 2013 exclude $107 million and $114 million, respectively, of period end purchased credit card receivable intangible assets

(b) Net of capital surplus for the three months ended June 30, 2013

(c) Includes net unrealized gains or losses on securities available for sale (except for net unrealized losses on marketable equity securities), net gains or losses on cash flow hedges, and amounts resulting from the application of the applicable accounting guidance for defined benefit and other postretirement plans

(d) Other assets deducted from Tier 1 capital and net risk-weighted assets consist of disallowed intangible assets (excluding goodwill) and deductible portions of nonfinancial equity investments. There were no disallowed deferred tax assets at June 30, 2013, March 31, 2013, and June 30, 2012

GAAP to Non-GAAP Reconciliation (continued)

$ in millions

	Three months ended 6-30-13	3-31-13	6-30-12
Average tangible common equity			
Average Key shareholders' equity (GAAP)	$ 10,314	$ 10,279	$ 10,100
Less: Intangible assets (average) [(a)]	1,023	1,027	931
Preferred Stock, Series A (average)	291	291	291
Average tangible common equity (non-GAAP)	$ 9,000	$ 8,961	$ 8,878
Return on average tangible common equity from continuing operations			
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 193	$ 196	$ 217
Average tangible common equity (non-GAAP)	9,000	8,961	8,878
Return on average tangible common equity from continuing operations (non-GAAP)	8.60 %	8.87 %	9.83 %
Return on average tangible common equity consolidated			
Net income (loss) attributable to Key common shareholders (GAAP)	$ 198	$ 199	$ 231
Average tangible common equity (non-GAAP)	9,000	8,961	8,878
Return on average tangible common equity consolidated (non-GAAP)	8.82 %	9.01 %	10.46 %
Cash efficiency ratio			
Noninterest expense (GAAP)	$ 711	$ 681	$ 693
Less: Intangible asset amortization on credit cards (GAAP)	7	8	—
Other intangible asset amortization (GAAP)	3	4	1
Adjusted noninterest expense (non-GAAP)	$ 701	$ 669	$ 692
Net interest income (GAAP)	$ 581	$ 583	$ 538
Plus: Taxable-equivalent adjustment	5	6	6
Noninterest income (GAAP)	429	425	457
Total taxable-equivalent revenue (non-GAAP)	$ 1,015	$ 1,014	$ 1,001
Cash efficiency ratio (non-GAAP)	69.06 %	65.98 %	69.13 %
Adjusted cash efficiency ratio			
Adjusted noninterest expense (non-GAAP)	$ 701	$ 669	$ 692
Less: Efficiency initiative charges (non-GAAP)	37	15	—
Net adjusted noninterest expense (non-GAAP)	$ 664	$ 654	$ 692
Total taxable-equivalent revenue (non-GAAP)	$ 1,015	$ 1,014	$ 1,001
Adjusted cash efficiency ratio (non-GAAP)	65.42 %	64.50 %	69.13 %

(a) Three months ended June 30, 2013 and March 31, 2013 exclude $110 million and $118 million, respectively, of average ending purchased credit card receivable intangible assets

Tier 1 Common Equity Under the Regulatory Capital Rules, Incorporating Basel III Guidance (estimated) [(a)]

KeyCorp & Subsidiaries

$ in billions		**Quarter ended June 30, 2013**	
Tier 1 common equity under current regulatory rules	$	9.2	
Adjustments from current regulatory rules to the Regulatory Capital Rules:			
Deferred tax assets [(b)]		(.1)	
Tier 1 common equity anticipated under the Regulatory Capital Rules [(c)]	$	9.2	
Total risk-weighted assets under current regulatory rules	$	82.5	
Adjustments from current regulatory rules to the Regulatory Capital Rules:			
Loan commitments <1 year		.8	
Past Due Loans		.3	
Mortgage servicing assets [(d)]		.5	
Deferred tax assets [(d)]		.3	
Other		1.0	
Total risk-weighted assets anticipated under the Regulatory Capital Rules	$	85.4	
Tier 1 common equity ratio under the Regulatory Capital Rules		**10.7**	**%**

Table may not foot due to rounding

(a) Tier 1 common equity is a non-generally accepted accounting principle (GAAP) financial measure that is used by investors, analysis and bank regulatory agencies to assess the capital position of financial services companies; management reviews Tier 1 common equity along with other measures of capital as part of its financial analyses

(b) Includes the deferred tax asset subject to future taxable income for realization, primarily tax credit carryforwards

(c) The anticipated amount of regulatory capital and risk-weighted assets is based upon the federal banking agencies' Regulatory Capital Rules (as fully phased-in on January 1, 2019); Key is subject to the Regulatory Capital Rules under the "standardized approach"

(d) Item is included in the 10%/15% exceptions bucket calculation and is risk-weighted at 250%