KeyCorp

Fourth Quarter 2015 Earnings Review

January 21, 2016

Beth E. Mooney
Chairman and
Chief Executive Officer

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Chief Financial Officer

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION DISCLOSURE

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, KeyCorp's and First Niagara's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "plan," "predict," "project," "forecast," "guidance," "goal," "objective," "prospects," "possible" or "potential," by future conditional verbs such as "assume," "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements. Actual results may differ materially from current projections.

In addition to factors previously disclosed in KeyCorp's and First Niagara's reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the merger, including approval by KeyCorp and First Niagara shareholders on the expected terms and schedule, including the risk that regulatory approvals required for the merger are not obtained or are obtained subject to conditions that are not anticipated; delay in closing the merger; difficulties and delays in integrating the First Niagara business or fully realizing cost savings and other benefits; business disruption following the merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of KeyCorp's products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

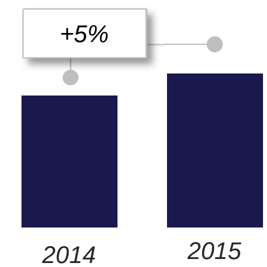
This presentation also includes certain non-GAAP financial measures related to "tangible common equity," "Common Equity Tier 1," "Tier 1 common equity," "pre-provision net revenue," and "cash efficiency ratio." Management believes these ratios may assist investors, analysts and regulators in analyzing 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 of this presentation or page 100 of our Form 10-Q dated September 30, 2015.

Investor Highlights – 2015

Positive Operating Leverage

- **Generated positive operating leverage from prior year**
- **Total average loans up 5% from prior year**
- **Positive trends in fee-based businesses**
  - Investment banking and debt placement (record year, +12%), corporate services (+11%), cards and payments (+10%), and trust & investment services (+7%)
- **Expenses well-managed, reflect strategic investments**

Pre-Provision Net Revenue [a]



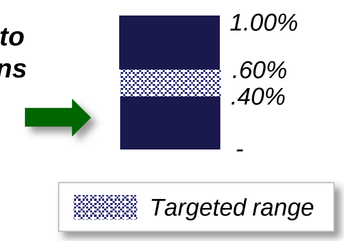
Strong Risk Management

- **Strong asset quality**
  - NCOs represented 24 bps of average loans in 2015
  - NPLs down 7% from prior year: 65 bps of P.E. loans
- **Maintained credit discipline**

Net Charge-offs

2015 NCOs to average loans

.24%



Disciplined Capital Management

- **Maintained strong capital position**
- **Increased dividend by 15% in 2Q15; planned increase of 13% in 2016 (subject to Board approval)**
- **Expect share repurchases and an increased dividend to be included in 2016 CCAR submission**

Strong Capital

Common Equity Tier 1 Ratio [a], [b] of

11.0%

at December 31, 2015

Note: graphs not to scale; P.E. = period-end

(a) Non-GAAP measure; see Appendix for reconciliation

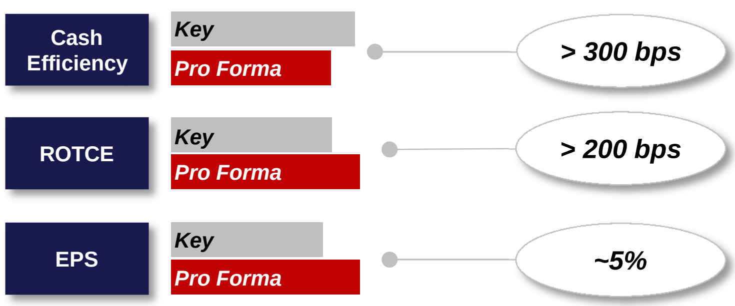
(b) 12-31-15 ratio is estimated

First Niagara: A Compelling Opportunity

Continued progress and momentum on announced acquisition; anticipated closing in 3Q16

Acquisition Drives Value

- **Accelerates Key's transformation into a high-performing regional bank**
- **Generates attractive financial returns**



- **Provides significant revenue opportunities**
  - **Broader suite of products to new and existing clients**
- **Creates complementary business mix and a more balanced franchise**

4Q15 Updates

- **Executing against comprehensive pre-merger integration plan**
- **Merger integration team established**
  - **Top talent at KEY and FNFG; significant prior M&A experience**
- **Focused on continued assessment, detailed planning and the approval process**

Financial Review

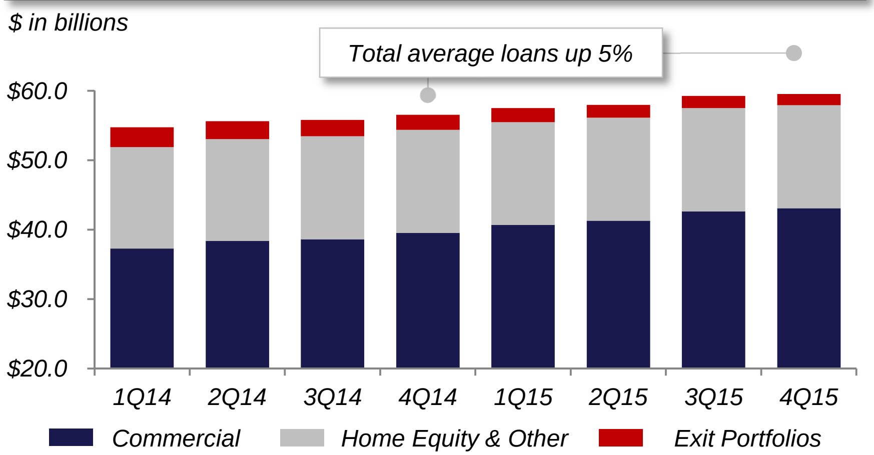
Financial Highlights

	Metrics	4Q15		3Q15		2Q15		1Q15		4Q14	
Financial Performance [a]	EPS – assuming dilution	$ .27		$ .26		$ .27		$ .26		$ .28	
	Cash efficiency ratio [e]	66.4	%	66.9	%	65.1	%	65.1	%	64.4	%
	Net interest margin (TE)	2.87		2.87		2.88		2.91		2.94	
	Return on average total assets	.97		.95		1.03		1.03		1.12	
Balance Sheet Growth [a], [b]	Total loans and leases	5	%	6	%	4	%	5	%	5	%
	CF&A loans	14		15		10		12		12	
	Deposits (excl. foreign deposits)	3		3		6		5		2	
Capital [c]	Common Equity Tier 1 [d], [e]	11.0	%	10.5	%	10.7	%	10.6	%	-	
	Tier 1 common equity [e]	-		-		-		-		11.2	%
	Tier 1 risk-based capital [d]	11.4		10.9		11.1		11.0		11.9	
	Tangible common equity to tangible assets [e]	10.0		9.9		9.9		9.9		9.9	
Asset Quality [a]	NCOs to average loans	.25	%	.27	%	.25	%	.20	%	.22	%
	NPLs to EOP portfolio loans	.65		.67		.72		.75		.73	
	Allowance for loan losses to EOP loans	1.33		1.31		1.37		1.37		1.38	

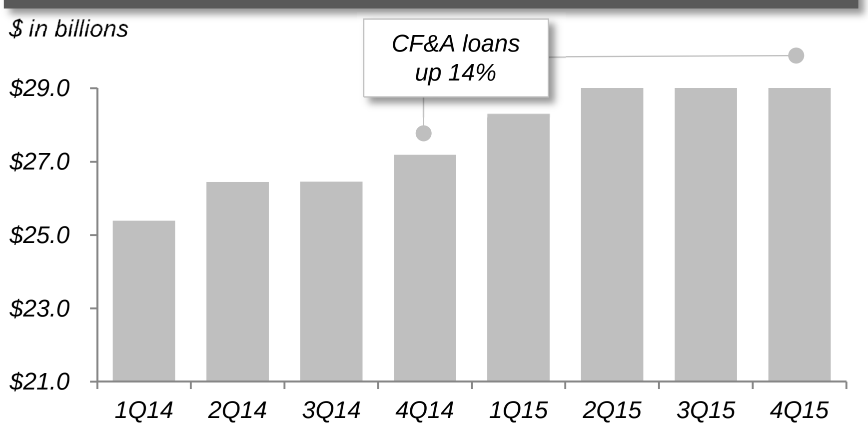
TE = Taxable equivalent, EOP = End of Period
(a) From continuing operations
(b) Year-over-year average balance growth
(c) From consolidated operations
(d) 12-31-15 ratios are estimated
(e) Non-GAAP measure: see Appendix for reconciliation

Loans

Total Average Loans



Average Commercial, Financial & Agricultural Loans



Highlights

Average Loans

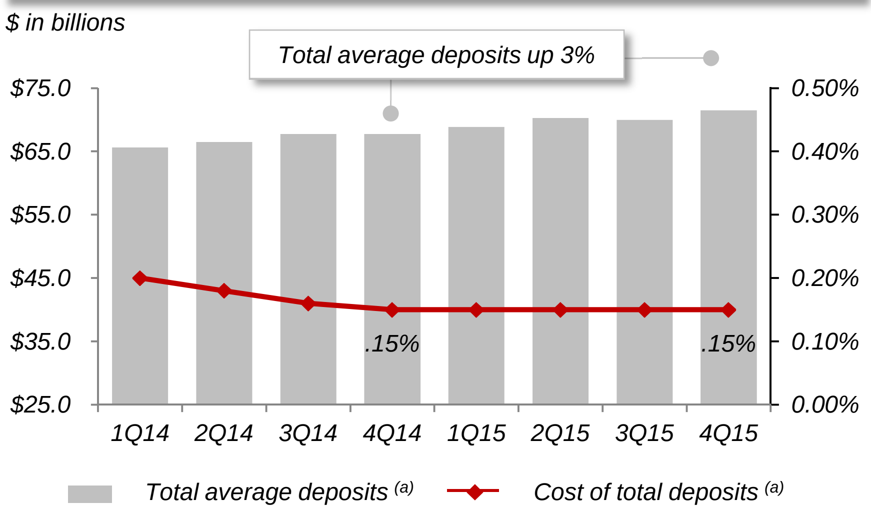
- **Average total loans up 5% in 4Q15 from 4Q14, driven by CF&A loans up 14%**
  - **Broad-based growth across Key's commercial lines of business**
- **Community Bank and Corporate Bank 4Q15 average balances up 2% and 13%, respectively, compared to 4Q14**

Period-End Loans

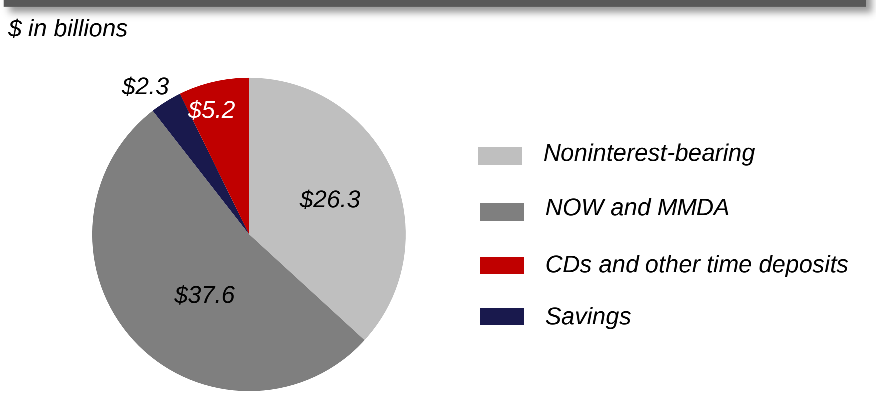
- **Period-end total loans up 4% in 4Q15 from 4Q14, driven by CF&A loans up 12%**
- **Total commitments continue to grow, with utilization relatively stable**

Deposits

Average Deposits [a]



4Q15 Average Deposit Mix



Highlights

- **Deposit cost remains relatively stable**

vs. Prior Quarter

- **Deposits up 2% from 3Q15 reflecting:**
  - **Seasonal and short-term deposit inflows from commercial clients**
  - **Growth in NOW and money market deposit accounts, along with certificates of deposit**

vs. Prior Year

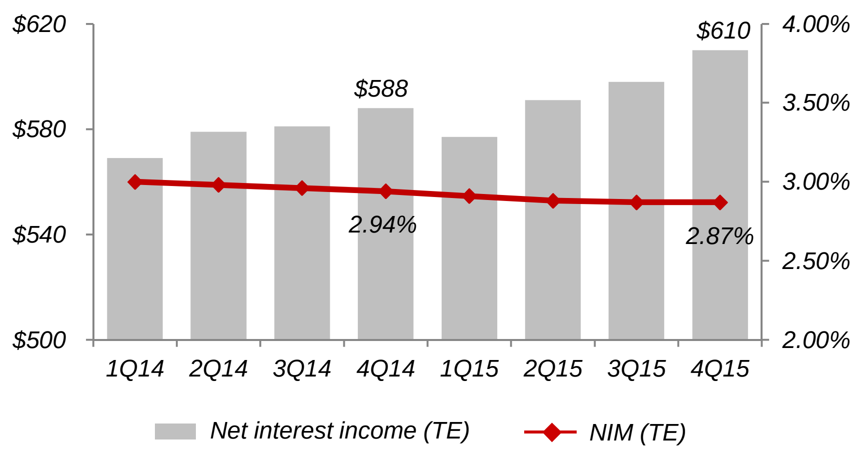
- **Deposit growth of 3% from 4Q14 related to:**
  - **Growth in commercial mortgage servicing**
  - **Inflows from both commercial and consumer clients**

(a) Excludes deposits in foreign office

Net Interest Income and Margin

Net Interest Income & Net Interest Margin Trend (TE)

$ in millions; continuing operations



NIM Change (bps):	vs. 3Q15
Higher earning asset yields	0.02
Loan fees	0.02
Higher levels of excess liquidity	(0.04)
Total change	**-**

Highlights

vs. Prior Quarter

- **Net interest income up $12 MM, or 2%, from 3Q15, primarily due to higher earning asset yields and loan fees**

vs. Prior Year

- **Net interest income up $22 MM, or 4%, from 4Q14, reflecting higher earning asset balances, partially offset by lower earning asset yields**

Maintained moderate asset sensitivity

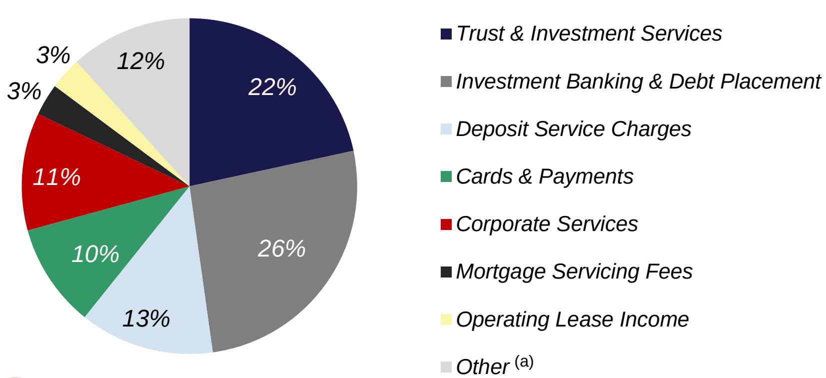
- **Naturally asset sensitive balance sheet flows: approximately 70% of loans variable rate**
- **High quality investment portfolio with average life of 3.9 years**
- **Flexibility to quickly adjust interest rate risk position**

TE = Taxable equivalent

Noninterest Income

Noninterest Income

$ in millions		4Q15		vs. 3Q15		vs. 4Q14
Trust and investment services income	$	105	$	(3)	$	(7)
Investment banking and debt placement fees		127		18		1
Service charges on deposit accounts		64		(4)		-
Operating lease income and other leasing gains		15		-		-
Corporate services income		55		(2)		2
Cards and payments income		47		-		4
Corporate-owned life insurance		36		6		(2)
Consumer mortgage income		2		(1)		(1)
Mortgage servicing fees		15		4		4
Net gains (losses) from principal investing		-		(11)		(18)
Other income		19		8		12
Total noninterest income	**$**	**485**	**$**	**15**	**$**	**(5)**



Highlights

vs. Prior Quarter

- **Noninterest income up 3% from 3Q15**
  - **Investment banking and debt placement fees up $18 MM, or 17%**
  - **Growth in other income due to investment gains in Real Estate Capital**
  - **Principal investing down $11 MM**

vs. Prior Year

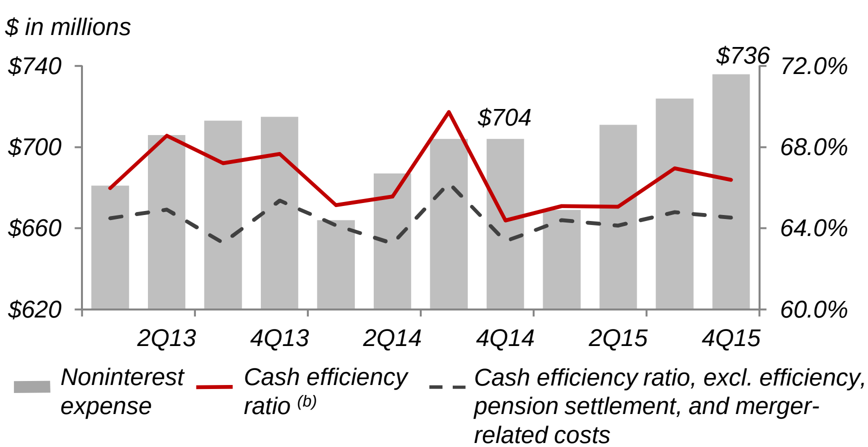
- **Noninterest income down 1% from 4Q14**
  - **Principal investing down $18 MM**
  - **Lower trust and investment services, reflecting market variability**
  - **Other income $12 MM higher, impacted by investment gains in Real Estate Capital**
  - **Strength in core businesses, with growth in investment banking and debt placement, corporate services, cards and payments and mortgage servicing**

(a) Other includes corporate-owned life insurance, principal investing, etc.

Noninterest Expense

Noninterest Expense

$ in millions	4Q15	vs. 3Q15	vs. 4Q14
Personnel [a]	$ 429	$ (3)	$ (20)
Net occupancy	64	(4)	(1)
Computer processing	43	(2)	(3)
Business services, professional fees	44	(4)	(6)
Equipment	22	-	1
Operating lease expense	13	(2)	(2)
Marketing	17	-	(1)
FDIC assessment	8	-	1
Intangible asset amortization	9	-	1
OREO expense, net	1	1	1
Other expense	86	2	(3)
Total noninterest expense	**$ 736**	**$ (12)**	**$ (32)**



Highlights

- **4Q15 noninterest expense includes:**
  - **Efficiency-related costs of $10 MM**
    - **Reflecting branch closures and severance**
  - **Merger-related costs of $6 MM**
  - **Pension settlement charge of $4 MM**

vs. Prior Quarter

- **Expense increase of 2% from 3Q15**
  - **Higher incentive compensation (+$12 MM)**
  - **Lower employee benefits expense (-$11 MM)**
    - **Lower pension settlement charge**
  - **Merger-related costs in 4Q15 (+$6 MM)**
  - **Higher efficiency-related costs (+$6 MM)**

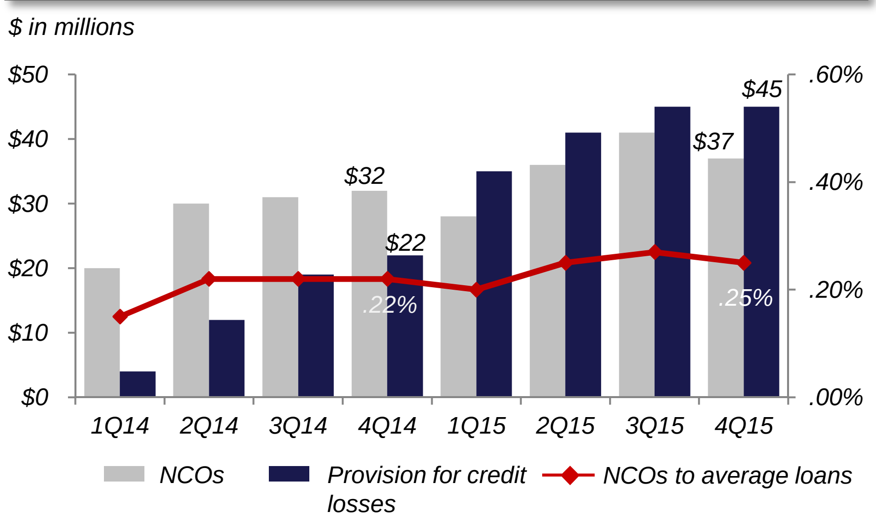
vs. Prior Year

- **4Q15 noninterest expense up 5% from 4Q14**
  - **Higher personnel costs (+$20 MM)**
    - **Employee benefits expense (+$11 MM)**
    - **Investments in client-facing personnel**
  - **Merger-related costs in 4Q15 (+$6 MM)**

(a) Includes a pension settlement charge of $4 million in 4Q15, $18 million in 3Q15 and $3 million in 4Q14
(b) Non-GAAP measure: see Appendix for reconciliation

Credit Quality

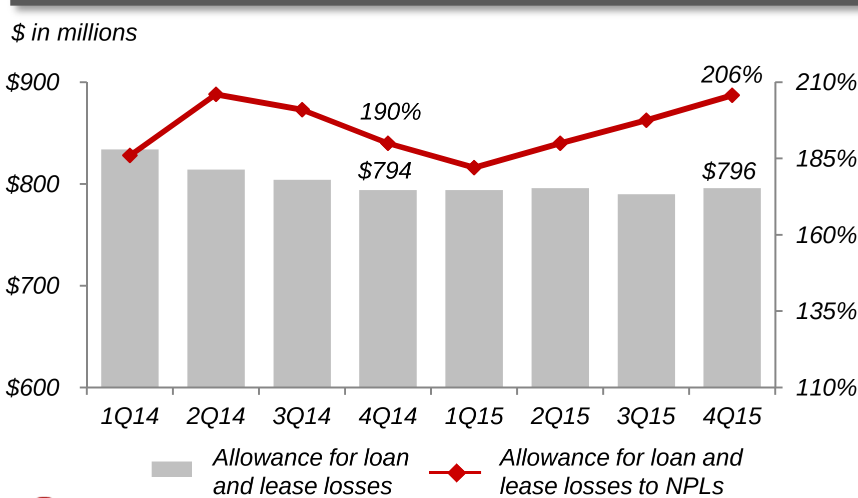
Net Charge-offs & Provision for Credit Losses



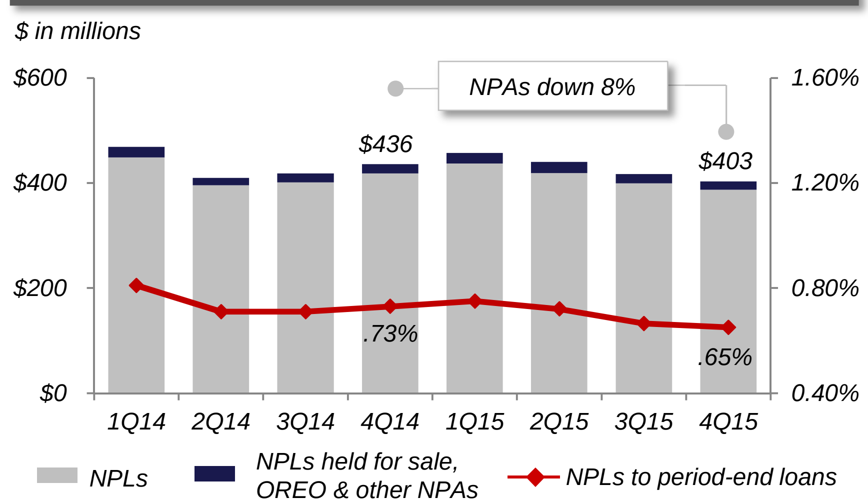
Highlights

- **Net loan charge-offs remain below targeted range, at 25 basis points of average loans**
- **Nonperforming loans represented 65 basis points of period-end loans**
- **Nonperforming assets down 8% from prior year**
- **Allowance for loan and lease losses represented 1.33% of period-end loans; 206% coverage of nonperforming loans**

Allowance for Loan and Lease Losses

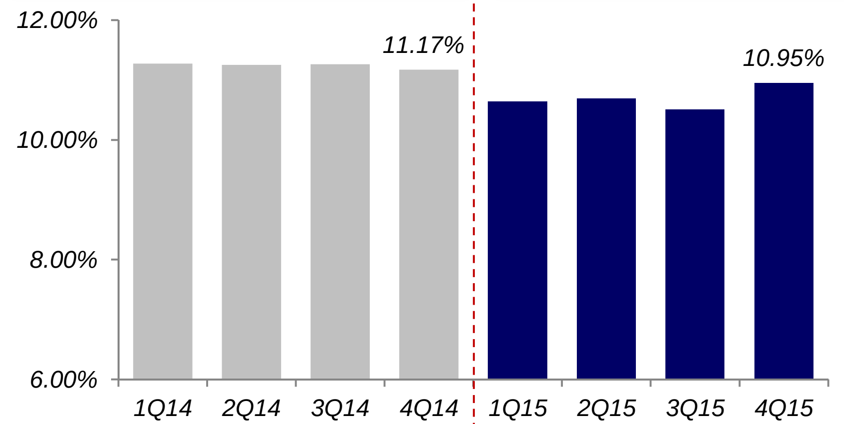


Nonperforming Assets

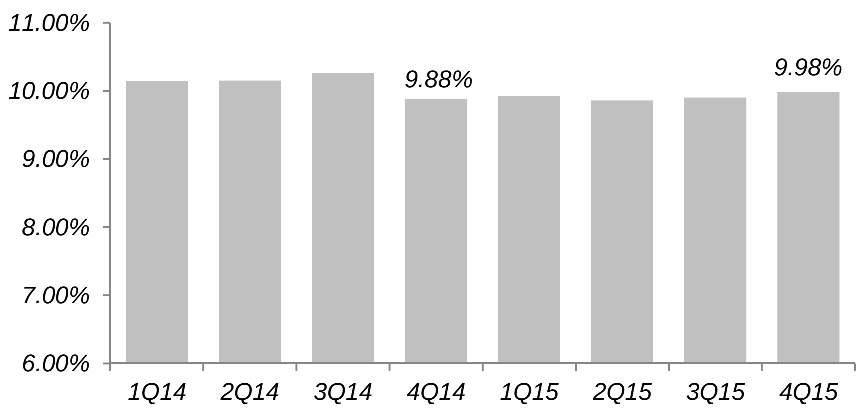


Capital

Tier 1 Common Equity [a] | Common Equity Tier 1 [a], [b], [c]



Tangible Common Equity to Tangible Assets [a]



Highlights

- **Maintained strong capital position**
- **Common Equity Tier 1 ratio of 10.95% at 12/31/15**
- **Increased quarterly common share dividend by 15% in 2Q15; planned increase of 13% in 2016 (subject to Board approval)**
- **Expect share repurchases and an increased dividend to be included in 2016 CCAR submission**

(a) Non-GAAP measure: see Appendix for reconciliations
(b) 12-31-15 ratio is estimated
(c) The Regulatory Capital Rules, effective January 1, 2015 for Key, introduced a new capital measure, “Common Equity Tier 1”

Outlook and Expectations

	FY 2016: Key Stand-alone
Average Loans	• Mid-single digit growth vs. FY 2015
Net Interest Income	• Up low single-digit percentage without the benefit from higher interest rates • Mid-single digit growth with the benefit of higher interest rates
Noninterest Income	• Mid-single digit growth compared to 2015
Expense	• Relatively stable with 2015
Efficiency / Productivity	• Positive operating leverage
Asset Quality	• Net charge-offs to average loans below targeted range of 40 – 60 bps • Allowance, as a percentage of period-end loans, to remain relatively stable with 4Q15 level
Capital	• Dividend expected to increase to $.085 per common share in 2Q16 (subject to Board approval) • Expect 2016 CCAR submission to include common share repurchases and an increased dividend

Guidance ranges: relatively stable: +/- 2%; low single-digit: <5%; mid-single digit: 4% - 6%
Note: Guidance provided does not include merger-related charges

Appendix

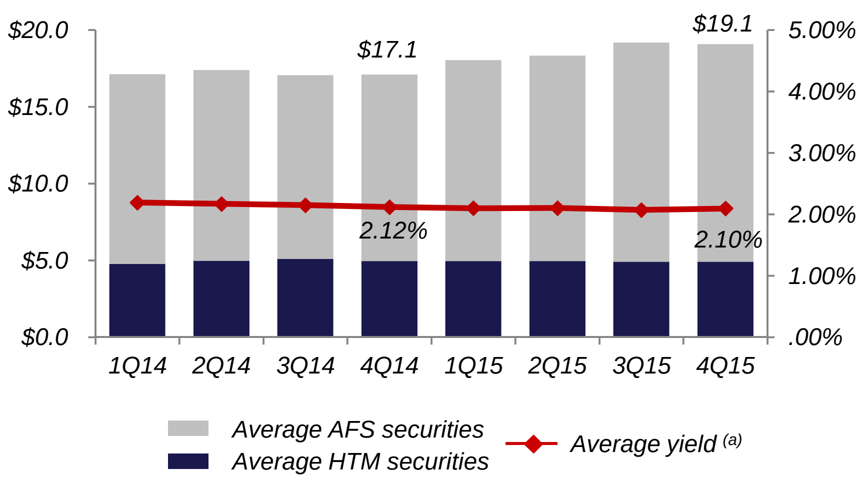
Progress on Targets for Success: Key Stand-alone

	Metrics [a]	2014	2015	Targets
Balance Sheet Efficiency	*Loan to deposit ratio [b]*	*85%*	*88%*	*90% -100%*
Moderate Risk Profile	*NCOs to average loans*	*.20%*	*.24%*	*40 - 60 bps*
	Provision for credit losses to average loans	*.10%*	*.28%*	
High Quality, Diverse Revenue Streams	*Net interest margin*	*2.97%*	*2.88%*	*3.00% -3.25%*
	Noninterest income to total revenue	*44%*	*44%*	*>40%*
Positive Operating Leverage	*Cash efficiency ratio [c]*	*66.2%*	*65.9%*	*<60%*
Financial Returns	*Return on average assets*	*1.08%*	*.99%*	*1.00% - 1.25%*

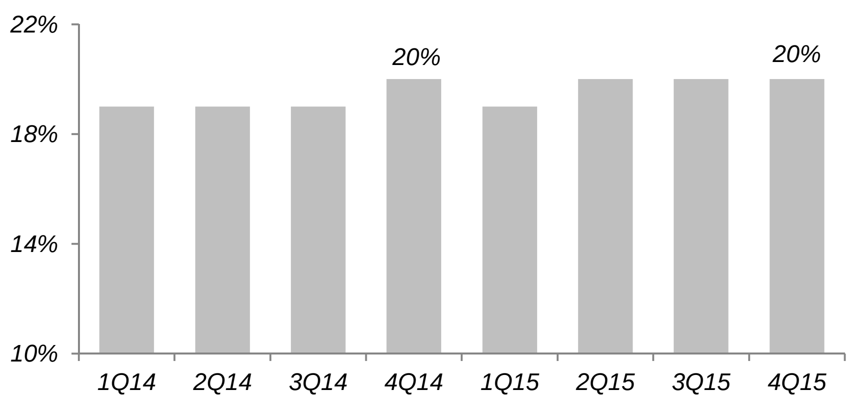
(a) Continuing operations, unless otherwise noted
(b) Represents period-end consolidated total loans and loans held for sale divided by period-end consolidated total deposits (excluding deposits in foreign office)
(c) Excludes intangible asset amortization; non-GAAP measure: see Appendix for reconciliation

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets [b]



Highlights

- **Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs**
- **Continue to position portfolio for regulatory liquidity requirements:**
  - **2015 average balance growth reflects actions taken to increase liquidity reserves**
  - **Growth and reinvestment of portfolio cash flows have been predominantly in GNMA securities (~53% of total portfolio was GNMA at 12/31/15)**
- **Securities cash flows of $1.0 B in 4Q15 and $1.1 billion in 3Q15**
- **Average portfolio life at 12/31/15 of 3.9 years vs. 3.8 years at 9/30/15**

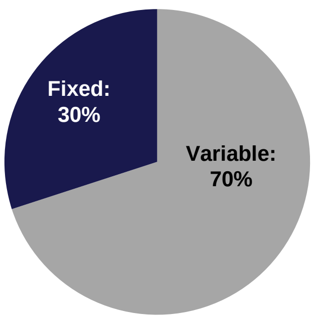
(a) Yield is calculated on the basis of amortized cost
(b) Includes end-of-period held-to-maturity and available-for-sale securities

Interest Rate Risk Management

Naturally Asset Sensitive Balance Sheet

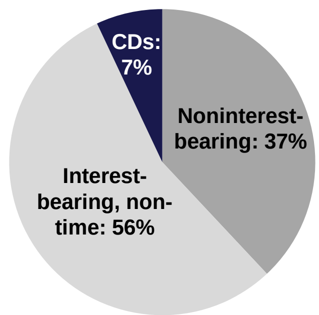
Loan Portfolio

4Q15

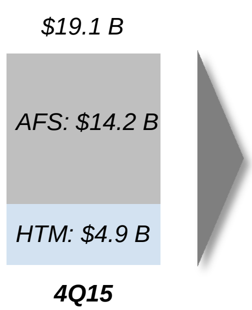


Deposits (a)

4Q15



Investment Portfolio



- High quality
- Fixed rate agency MBS and CMOs
- Average maturity: 3.9 years
- GNMAs total 53% of total portfolio at period-end
- Reinvesting cash flows into GNMAs

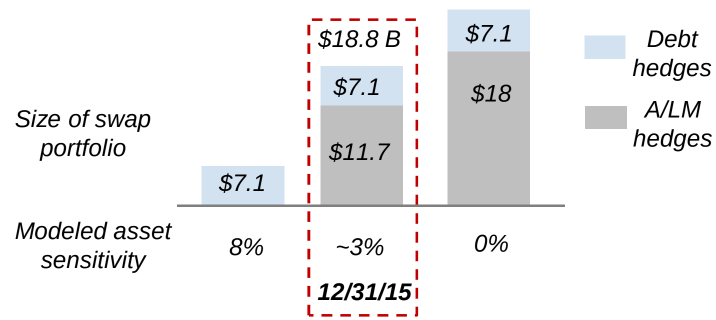
Balance sheet has relatively short duration and is impacted by the short-end of the curve

Actively Managing Rate Risk

- **Maintained moderate asset sensitive position of ~3%**
  - Assumes 200 basis point increase in short and intermediate-term rates over a 12-month period
- **Utilize swaps for debt hedging and asset liability management**
  - Fairly even pace of A/LM swap maturities
  - $2.4B A/LM swaps scheduled to mature by year end 2016

Swaps *($ in B)*	12/31/15 Notional Amt.	Wtd. Avg. Maturity (Yrs.)	Receive Rate	Pay Rate
A/L Management	$ 11.7	2.5	1.1%	.3%
Debt	7.1	3.6	2.0	.4
	$ 18.8		**1.4%**	**.3%**

Flexibility to Adjust Rate Sensitivity with Swaps



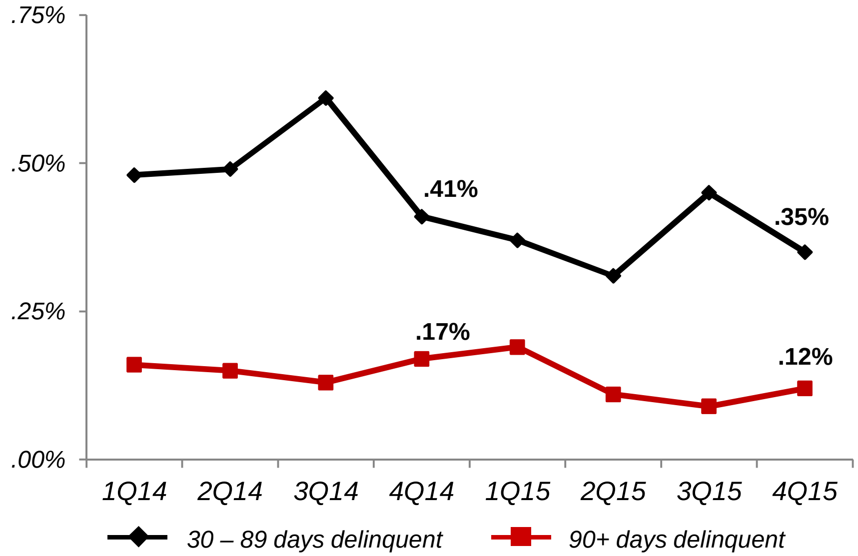
Flexibility to adjust rate sensitivity for changes in balance sheet growth/mix as well as interest rate outlook

Note: Loan, deposit and investment portfolio balances reflect quarterly average balances
(a) Excludes deposits in foreign office

Credit Quality Trends

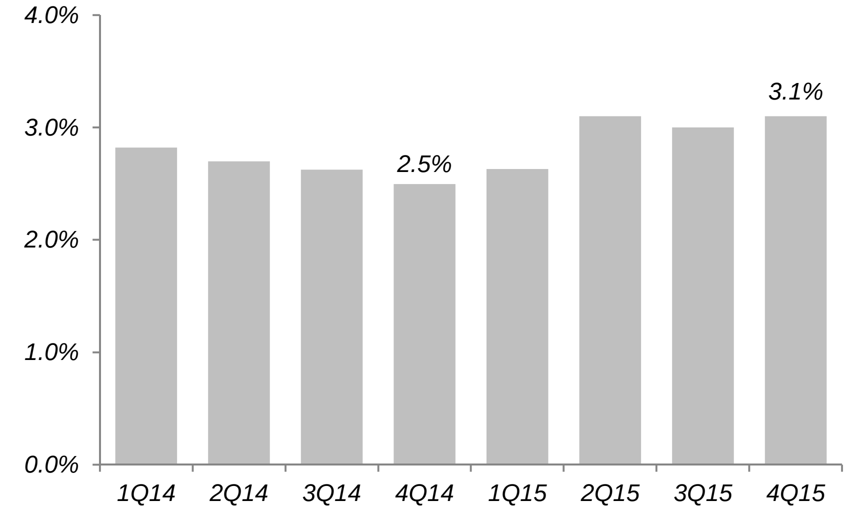
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations



Metric [b]	4Q15	3Q15	2Q15	1Q15	4Q14
Delinquencies to EOP total loans: 30-89 days	.35 %	.45 %	.31 %	.37 %	.41 %
Delinquencies to EOP total loans: 90+ days	.12	.09	.11	.19	.17
NPLs to EOP portfolio loans	.65	.67	.72	.75	.73
NPAs to EOP portfolio loans + OREO + Other NPAs	.67	.69	.75	.79	.76
Allowance for loan losses to period-end loans	1.33	1.31	1.37	1.37	1.38
Allowance for loan losses to NPLs	205.7	197.5	190.0	181.7	190.0

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

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 [d]	Allowance / period-end loans [d] (%)	Allowance / NPLs (%)
	12/31/15	**4Q15**	**4Q15**	**4Q15**	**12/31/15**	**12/31/15**	**12/31/15**	**12/31/15**
Commercial, financial and agricultural [a]	$ 31,240	$ 30,884	$ 15	.19%	$ 82	$ 450	1.44%	548.78%
Commercial real estate:								
Commercial Mortgage	7,959	8,019	(2)	N/M	19	134	1.68	705.26
Construction	1,053	1,067	-	-	9	25	2.37	277.78
Commercial lease financing	4,020	3,910	6	.61	13	47	1.17	361.54
Real estate – residential mortgage	2,242	2,252	-	-	64	17	.76	26.56
Home equity	10,335	10,418	5	.19	190	57	.55	30.00
Credit cards	806	780	7	3.56	2	33	4.09	N/M
Consumer other – Key Community Bank	1,600	1,605	5	1.24	2	20	1.25	N/M
Consumer other – Exit Portfolio	621	641	1	.62	6	13	2.09	216.67
Continuing total [e]	**$ 59,876**	**$ 59,576**	**$ 37**	**.25%**	**$ 387**	**$ 796**	**1.33**	**205.68%**
Discontinued operations	1,828	1,851	8	1.71	7	28	1.53	400.00
Consolidated total	**$ 61,704**	**$ 61,427**	**$ 45**	**.29%**	**$ 394**	**$ 824**	**1.34**	**209.14%**

N/M = Not meaningful

(a) 12-31-15 ending loan balance includes $85 million of commercial credit card balances; 12-31-15 average loan balance includes $87 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 12-31-15 NPL amount excludes $11 million of purchased credit impaired loans
(d) 12-31-15 allowance by portfolio is estimated
(e) 12-31-15 ending loan balance includes purchased loans of $114 million, of which $11 million were purchased credit impaired

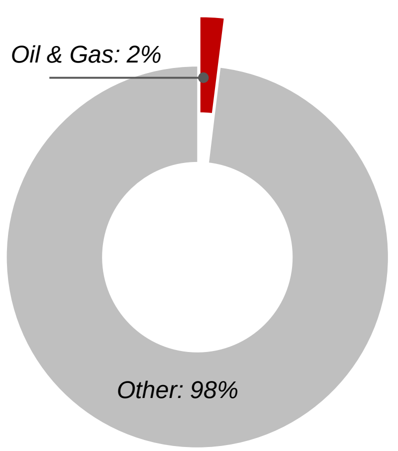
Oil & Gas

Longstanding history, expertise and relationships

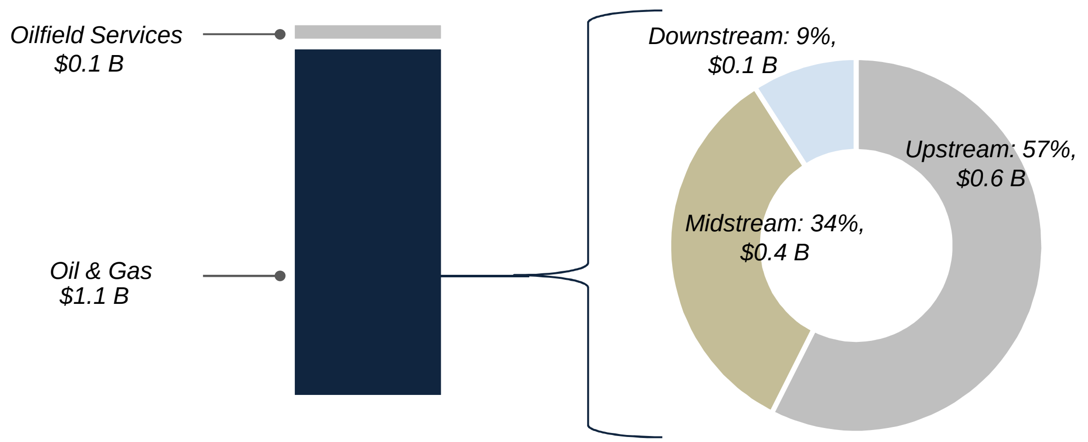
Strong Portfolio Characteristics

- >10 years of experience in energy lending with >20 specialists dedicated to oil & gas
- Focused on middle market companies, aligned with our relationship strategy
- Portfolio regularly stress tested
- Primarily secured by proven reserves
- Relationships contributed ~2% of FY15 investment banking and debt placement fees
- Net charge-offs lower than overall portfolio

Total Loans Outstanding, 12/31/15



Oil & Gas Outstanding Balances, 12/31/15



Home Equity Portfolio

Highlights

- High quality portfolio
- Community bank loans and lines: 98% of total portfolio; branch-originated
  - 61% first lien position
  - Average FICO score of 770
  - Average LTV at origination: 71%
- $4.1 billion of the total portfolio are fixed rate loans that require principal and interest payments; $6.2 billion are lines
- $1.1 billion in lines outstanding (11% of the total portfolio) come to end of draw period in the next four years
  - Proactive communication and client outreach initiated near end of draw period

Home Equity Portfolio – 12/31/15

$ 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
Loans and lines										
First lien	$ 6,128	$ 70,622	771	67 %	.6 %	58 %	4 %	2 %	3 %	33 %
Second lien	3,999	46,102	767	77	3.5	41	4	3	3	49
Community Bank	$ 10,127	58,363	770	71	1.7	52	4	3	3	38
Exit portfolio	208	19,066	728	80	28.9	-	-	-	-	100
Total home equity portfolio	**$ 10,335**									
Nonaccrual loans and lines										
First lien	$ 109	$ 64,368	715	73 %	3.5 %	14 %	3 %	2 %	5 %	76 %
Second lien	73	47,372	709	80	4.0	6	2	2	5	85
Community Bank	$ 182	56,245	713	77	3.7	11	2	2	5	80
Exit portfolio	8	22,333	705	83	23.0	-	-	-	-	100
Total home equity nonaccruals	**$ 190**									
Fourth quarter net charge-offs (NCOs)										
Total home equity portfolio	$ 5									
% of average loans	.19 %									

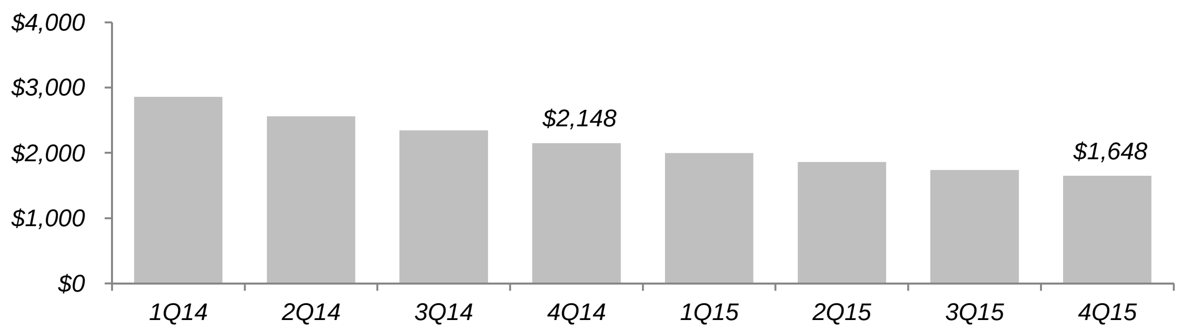
(a) Average LTVs are at origination; current average LTVs for Community Bank total home equity loans and lines is approximately 67%, which compares to 68% at the end of the third quarter of 2015

Exit Loan Portfolio

Exit Loan Portfolio

$ in millions	Balance Outstanding		Change	Net Loan Charge-offs		Balance on Nonperforming Status	
	12-31-15	9-30-15	12-31-15 vs. 9-30-15	4Q15	3Q15 [b]	12-31-15	9-30-15
Residential properties – homebuilder	$ 6	$ 6	-	-	-	$ 8	$ 5
Marine and RV floor plan	1	1	-	-	-	-	-
Commercial lease financing [a]	765	798	$ (33)	-	$ (1)	1	-
Total commercial loans	772	805	(33)	-	(1)	9	5
Home equity – Other	208	222	(14)	$ 2	(1)	8	7
Marine	583	620	(37)	1	3	6	6
RV and other consumer	41	44	(3)	-	(1)	-	1
Total consumer loans	832	886	(54)	3	1	14	14
Total exit loans in loan portfolio	**$ 1,604**	**$ 1,691**	**$ (87)**	**$ 3**	**$ -**	**$ 23**	**$ 19**
Discontinued operations – education lending business (not included in exit loans above) [c]	$ 1,828	$ 1,891	$ (63)	$ 8	$ 7	$ 7	$ 8

$ in millions; average balances



(a) Includes (1) the business aviation, commercial vehicle, office products, construction and industrial leases; (2) Canadian lease financing portfolios; (3) European lease financing portfolios; and (4) all remaining balances related to lease in, lease out; sale in, lease out; service contract leases; and qualified technological equipment leases.
(b) Credit amounts indicate recoveries exceeded charge-offs
(c) Excludes loans held for sale of $169 million at September 30, 2015. There were no loans held for sale at December 31, 2015.

GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended				
	12-31-15	9-30-15	6-30-15	3-31-15	12-31-14
Tangible common equity to tangible assets at period end					
Key shareholders' equity (GAAP)	$ 10,746	$ 10,705	$ 10,590	$ 10,603	$ 10,530
Less: Intangible assets [(a)]	1,080	1,084	1,085	1,088	1,090
Preferred Stock, Series A [(b)]	281	281	281	281	282
Tangible common equity (non-GAAP)	$ 9,3485	$ 9,340	$ 9,224	$ 9,234	$ 9,158
Total assets (GAAP)	$ 95,133	$ 95,422	$ 94,606	$ 94,206	$ 93,821
Less: Intangible assets [(a)]	1,080	1,084	1,085	1,088	1,090
Tangible assets (non-GAAP)	$ 94,053	$ 94,338	$ 93,521	$ 93,118	$ 92,731
Tangible common equity to tangible assets ratio (non-GAAP)	9.98 %	9.90 %	9.86 %	9.92 %	9.88 %
Common Equity Tier 1 at period end					
Key shareholders' equity (GAAP)	$ 10,746	$ 10,705	$ 10,590	$ 10,603	-
Less: Preferred Stock, Series A [(b)]	281	281	281	281	-
Common Equity Tier 1 capital before adjustments and deductions	10,465	10,424	10,309	10,322	-
Less: Goodwill, net of deferred taxes	1,036	1,036	1,034	1,036	-
Intangible assets, net of deferred taxes	26	29	33	36	-
Deferred tax assets	1	1	1	1	-
Net unrealized gains (losses) on available-for-sale securities, net of deferred taxes	(58)	54	-	52	-
Accumulated gains (losses) on cash flow hedges, net of deferred taxes	(20)	21	(20)	(8)	-
Amounts in accumulated other comprehensive income (loss) attributed to pension and postretirement benefit costs, net of deferred taxes	(365)	(385)	(361)	(364)	-
Total Common Equity Tier 1 capital [(c)]	$ 9,845	$ 9,668	$ 9,622	$ 9,569	-
Net risk-weighted assets (regulatory) [(c)]	$ 89,889	$ 92,307	$ 89,851	$ 89,967	-
Common Equity Tier 1 ratio (non-GAAP) [(c)]	10.95 %	10.47 %	10.71 %	10.64 %	-
Tier 1 common equity at period end					
Key shareholders' equity (GAAP)			-	-	$ 10,530
Qualifying capital securities			-	-	339
Less: Goodwill	-	-	-	-	1,057
Accumulated other comprehensive income (loss) [(d)]	-	-	-	-	(395)
Other assets [(e)]	-	-	-	-	83
Total Tier 1 capital (regulatory)	-	-	-	-	10,124
Less: Qualifying capital securities	-	-	-	-	339
Preferred Stock, Series A [(b)]	-	-	-	-	282
Total Tier 1 common equity (non-GAAP)	-	-	-	-	$ 9,503
Net risk-weighted assets (regulatory)	-	-	-	-	$ 85,100
Tier 1 common equity ratio (non-GAAP)	-	-	-	-	11.17 %

a) Three months ended 12/31/15, 9/30/15, 6/30/15, 3/31/15, and 12/31/14, exclude $45 million, $50 million, $55 million, $61 million, and $68 million, respectively, of period-end purchased credit card receivables
b) Net of capital surplus
c) 12-31-15 amount is estimated
d) 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
e) 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 December 31, 2014.

GAAP to Non-GAAP Reconciliation (continued)

$ in millions	Three months ended 12-31-15	9-30-15	6-30-15	3-31-15	12-31-14
Pre-provision net revenue					
Net interest income (GAAP)	$ 602	$ 591	$ 584	$ 571	$ 582
Plus: Taxable-equivalent adjustment	8	7	7	6	6
Noninterest income (GAAP)	485	470	488	437	490
Less: Noninterest expense (GAAP)	736	724	711	669	704
Pre-provision net revenue from continuing operations (non-GAAP)	$ 359	$ 344	$ 368	$ 345	$ 374
Average tangible common equity					
Average Key shareholders' equity (GAAP)	$ 10,731	$ 10,614	$ 10,590	$ 10,570	$ 10,562
Less: Intangible assets (average) [(a)]	1,082	1,083	1,086	1,089	1,096
Preferred Stock, Series A (average)	290	290	290	290	291
Average tangible common equity (non-GAAP)	$ 9,359	$ 9,241	$ 9,214	$ 9,191	$ 9,175
Return on average tangible common equity from continuing operations					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 224	$ 216	$ 230	$ 222	$ 246
Average tangible common equity (non-GAAP)	9,359	9,241	9,214	9,191	9,175
Return on average tangible common equity from continuing operations (non-GAAP)	9.50 %	9.27 %	10.01 %	9.80 %	10.64 %
Return on average tangible common equity consolidated					
Net income (loss) attributable to Key common shareholders (GAAP)	$ 220	$ 213	$ 233	$ 227	$ 248
Average tangible common equity (non-GAAP)	9,359	9,241	9,214	9,191	9,175
Return on average tangible common equity consolidated (non-GAAP)	9.33 %	9.14 %	10.14 %	10.02 %	10.72 %
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 736	$ 724	$ 711	$ 669	$ 704
Less: Intangible asset amortization (GAAP)	9	9	9	9	10
Adjusted noninterest expense (non-GAAP)	$ 727	$ 715	$ 702	$ 660	$ 694
Net interest income (GAAP)	$ 602	$ 591	$ 584	$ 571	$ 582
Plus: Taxable-equivalent adjustment	8	7	7	6	6
Noninterest income (GAAP)	485	470	488	437	490
Total taxable-equivalent revenue (non-GAAP)	$ 1,095	$ 1,068	$ 1,079	$ 1,014	$ 1,078
Cash efficiency ratio (non-GAAP)	66.4 %	66.9 %	65.1 %	65.1 %	64.4 %

(a) Three months ended 12/31/15, 9/30/15, 6/30/15, 3/31/15, and 12/31/14, exclude $47 million, $52 million, $58 million, $64 million, and $69 million, respectively, of average purchased credit card receivables

Common Equity Tier 1 Under the Regulatory Capital Rules (RCR) (estimated) [a]

KeyCorp & Subsidiaries

$ in billions		Quarter ended December 31, 2015	
Common Equity Tier 1 under current RCR	$	9.8	
Adjustments from current RCR to the fully phased-in RCR:			
Deferred tax assets and other intangible assets [b]		-	
Common Equity Tier 1 anticipated under the fully phased-in RCR [c]	$	9.8	
Net risk-weighted assets under current RCR	$	89.9	
Adjustments from current RCR to the fully phased-in RCR:			
Mortgage servicing assets [d]		.5	
All other assets [e]		-	
Total risk-weighted assets anticipated under the fully phased-in RCR [c]	$	90.4	
Common Equity Tier 1 under the fully phased-in RCR		**10.85**	**%**

Table may not foot due to rounding

(a) Common Equity Tier 1 capital is a non-generally accepted accounting principle (GAAP) financial measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews Common Equity Tier 1 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, as well as intangible assets (other than goodwill and mortgage servicing assets) subject to the transition provisions of the final rule.

(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%

(e) Under the fully implemented rule, certain deferred tax assets and intangible assets subject to the transition provision are no longer required to be risk-weighted because they are deducted directly from capital.

IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed merger, KeyCorp has filed with the SEC a Registration Statement on Form S-4 on November 30, 2015 that includes the preliminary Joint Proxy Statement of KeyCorp and First Niagara and a preliminary Prospectus of KeyCorp, as well as other relevant documents concerning the proposed transaction. The information in the preliminary Joint Proxy Statement/Prospectus is not complete and may be changed. The definitive Joint Proxy Statement/Prospectus will be mailed to stockholders of KeyCorp and First Niagara after the Registration Statement is declared effective by the SEC. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the Joint Proxy Statement/Prospectus, as well as other filings containing information about KeyCorp and First Niagara, may be obtained at the SEC's Internet site (http://www.sec.gov). You will also be able to obtain these documents, free of charge, from KeyCorp at investor.key.com or from First Niagara by accessing First Niagara's website at www.firstniagara.com. Copies of the Joint Proxy Statement/Prospectus can also be obtained, free of charge, by directing a request to KeyCorp Investor Relations at Investor Relations, KeyCorp, 127 Public Square, Mailcode OH-01-27-0737, Cleveland, Ohio 44114-1306, by calling (216) 689-3000, or by sending an e-mail to investor_relations@keybank.com or to First Niagara Investor Relations at 726 Exchange Street, Suite 618, Buffalo, New York 14210, by calling (716) 819-5669 or by sending an e-mail to investor@fnfg.com. In addition, KeyCorp and First Niagara use their respective Investor Relations websites and social media outlets as channels of distribution of material company information. Such information is accessible on KeyCorp's and First Niagara's Investor Relations websites, as well as on their respective Facebook pages and through their Twitter accounts and LinkedIn accounts.

KeyCorp and First Niagara and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective shareholders of KeyCorp and First Niagara in respect of the transaction described in the Joint Proxy Statement/Prospectus. Information regarding KeyCorp's directors and executive officers is contained in KeyCorp's Proxy Statement on Schedule 14A, dated April 7, 2015, which is filed with the SEC. Information regarding First Niagara's directors and executive officers is contained in First Niagara's Proxy Statement on Schedule 14A, dated March 23, 2015, which is filed with the SEC. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Joint Proxy Statement/Prospectus regarding the proposed merger. Free copies of this document may be obtained as described in the preceding paragraph.