Investor Meetings: February – March 2017

KeyCorp

Focused *Forward*

FORWARD-LOOKING STATEMENTS AND ADDITIONAL INFORMATION

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 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 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: difficulties and delays in integrating the First Niagara business or fully realizing cost savings and other benefits; 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," "pre-provision net revenue," "cash efficiency ratio," and certain financial measures excluding merger-related expenses. Management believes these measures 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, page 109 of our Form 10-Q dated September 30, 2016, and our fourth quarter 2016 earnings release.

GAAP: Generally Accepted Accounting Principles

Key: Who We Are

A Relationship-focused Bank

Business Diversity

- Key Community Bank
- Key Corporate Bank

Broad Product Set and Industry Expertise

Deposits · *Payments* · *Wealth Mgmt.* · *Advice & Expertise*

Lending · *Investments* · *Capital Markets*

Industry Verticals

Targeted Verticals: *Consumer, Energy, Healthcare, Industrial, Public Sector, Real Estate, Technology*

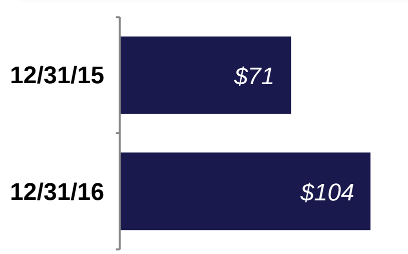
Complementary product set with First Niagara provides cross-sell and revenue growth opportunities

Targeted Clients

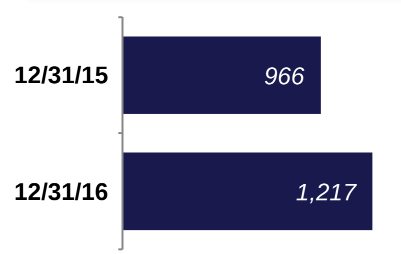
- ✓ Consumers
- ✓ Small businesses
- ✓ Middle market
- ✓ Large corporate

Loans

Deposits



Branches

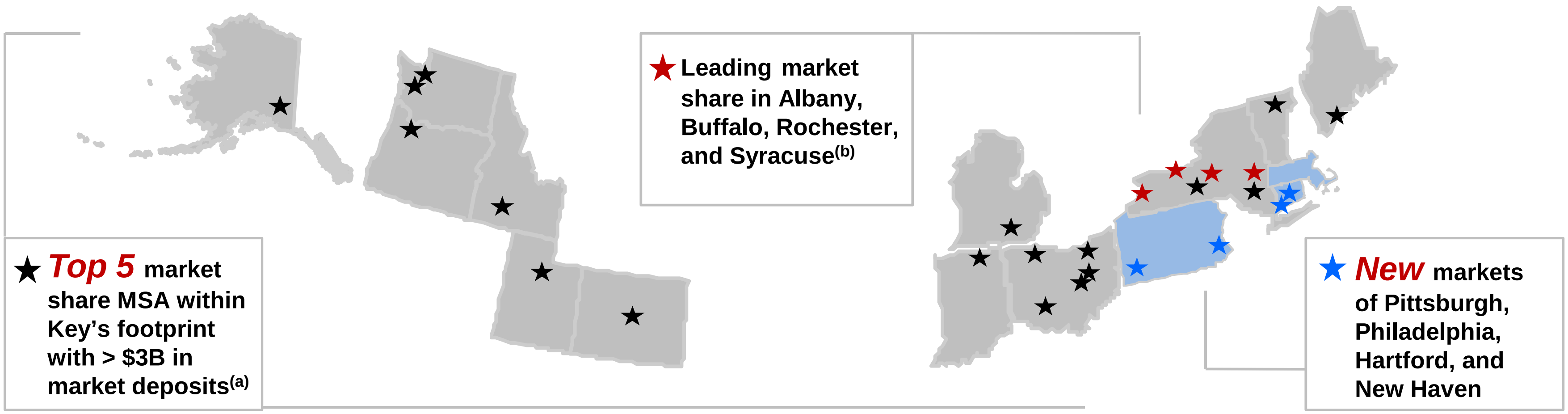


New to Key

- ✓ *Residential mortgage*
- ✓ *Auto lending*
- ✓ *Insurance*

Strengthening our Geographic Presence

FNFG acquisition strengthens Key's brand and presence in shared markets while adding complementary new markets



Longstanding history in Upstate New York, now with an even stronger presence

Leading Market Share

Upstate NY Markets

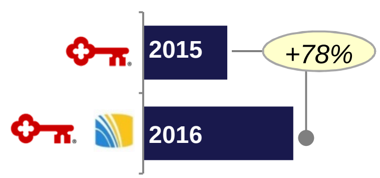
- **Albany**
- **Buffalo**
- **Rochester**
- **Syracuse**

24%

of Key's total Deposits[b]

Stronger Presence

Upstate NY deposits per branch[b], [c]

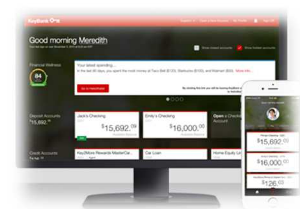


Improved Accessibility

>700

new branches and ATMs in Upstate NY

Enhanced Digital Experience



Notes: MSA denotes Metropolitan Statistical Area

(a) ★ Denotes MSAs within footprint with greater than $3B in market deposits where Key has a Top 5 market share (i.e., Akron, Albany, Anchorage, Ann Arbor, Binghamton, Boise, Buffalo, Burlington, Canton, Cleveland, Dayton, Denver, Kingston, New Haven, Olympia, Portland (ME), Portland (OR), Rochester, Salt Lake City, Seattle, South Bend, Syracuse, and Toledo); source: FDIC Summary of Deposits Annual Survey, June 30, 2016

(b) Source: FDIC Summary of Deposits Annual Survey, June 30, 2016; analysis caps all branches at $250MM to adjust for commercial and headquarters deposits

(c) Reflects data as of 6/30/15 and 6/30/16; Upstate NY branch count adjusted to reflect 2H16 consolidations and divestitures

Business Model: Winning with Clients

Broad product offering creates a competitive advantage with targeted clients and has enabled us to take market share

Compelling Value Proposition for Consumers

*Client-centric approach, providing **ease, value and expertise***

Eight consecutive quarters of average **deposit growth** in the Community Bank

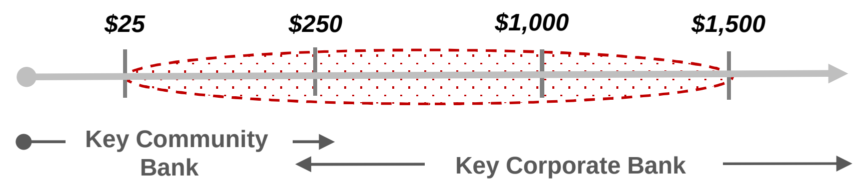
Credit card transactions up 13% from 2015 (excluding FNFG)

Digital originations up 30% 2016 vs. 2015

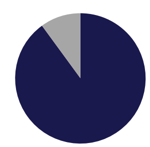
>90,000 enrollments in Key's **Financial Wellness platform**

Uniquely Positioned for Middle Market Clients

Commercial client revenue size ($ MM)



Consistent, Strong Loan Growth



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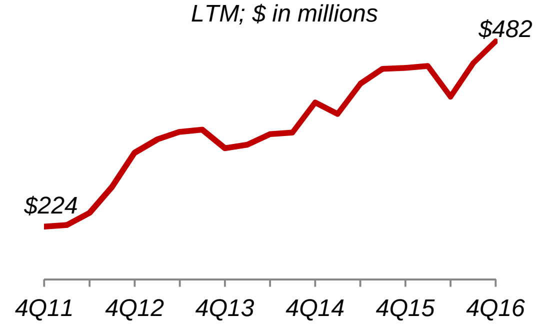
*consecutive quarters **double-digit** YoY **CF&A loan growth** (prior to and excluding FNFG acquisition)*

Record Investment Banking and Debt Placement Fees

LTM; $ in millions



+46k *Net retail household growth in 2016*	***>1,200*** *New or expanded Corporate Bank relationships in 2016*	***+1 million*** *First Niagara clients*

Driving Positive Operating Leverage

Executing action plans across our organization to improve efficiency

Core Business Momentum

- Solid loan growth, continued to be driven by CF&A loans
- Positive trends in fee based businesses
- Expenses remain well-managed; cash efficiency ratio of 63.3%[a],[b]

three

consecutive years of
positive operating leverage

Investing in People, Products and Capabilities

- Adding new bankers; remixing staff
- Enhancing digital offering, including new products and expertise
- Engaging in strategic partnerships

Commercial & Corporate Bank RMs[c]:

+ 35%

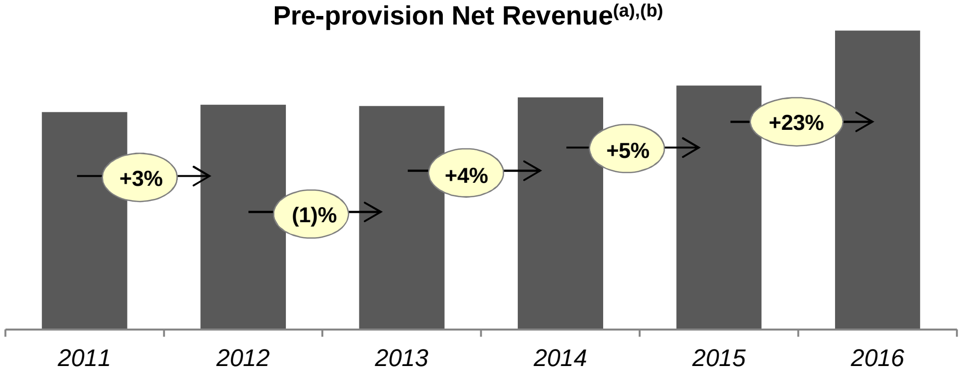
2013 vs. 2016

First Niagara Acquisition

- Focused on achieving financial targets, including $400 MM in cost savings
- Incremental opportunity from revenue synergies

Achieved 25% of cost savings target in 2016

Pre-provision Net Revenue[a],[b]



Efforts to drive positive operating leverage and improve efficiency have resulted in growth of pre-provision net revenue

(a) Excludes merger-related expense. Merger-related expense detail provided on slide 22
(b) Non-GAAP measure; see slides 25-26 and page 43 of Key's 2015 Form 10-K for reconciliation
(c) Commercial and Corporate Bank RMs as of December 2013 and December 2016

Acquisition Accelerates Momentum

Continued Confidence in Value Attainment and Financial Targets

Cost savings of $400 MM

Cash efficiency improves ~300 bps

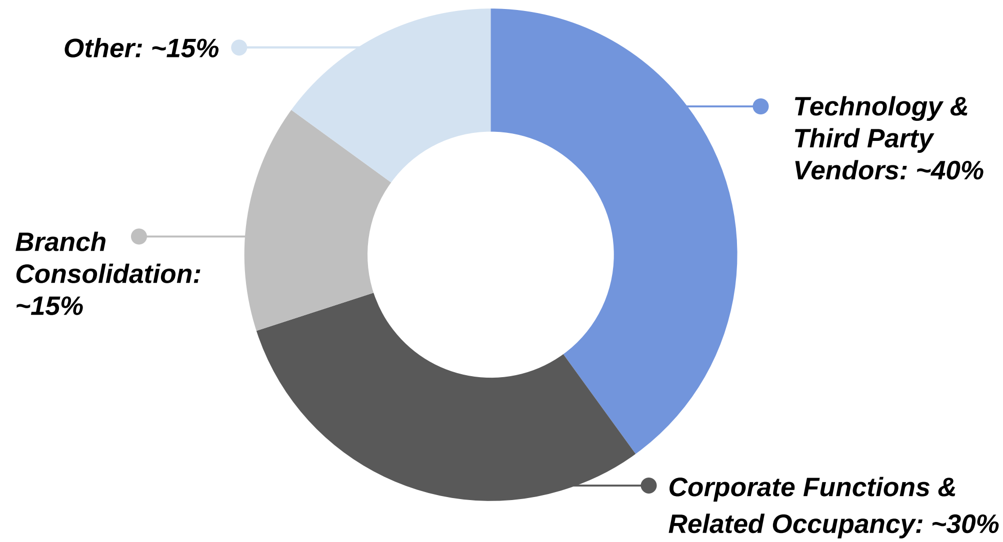
ROTCE ~200 bps higher

IRR of ~15%; ROIC >10%

EPS accretion of ~5%

Value attainment and financial targets based upon full realization of cost savings (FY 2018); no revenue synergies assumed

Executing on cost savings of $400 MM



Incremental opportunity from approximately $300 MM in revenue synergies

Outlook and Expectations

	FY 2017[a]
Average Earning Assets	• Loans and deposit growth: mid-single digit percentage compared to FY 2016 (with 2016 adjusted for full year impact of First Niagara)
Net Interest Income	• Outlook includes one additional rate increase in mid-2017 • Net interest income expected to be in the range of $3.6 B - $3.7 B – Reflects lower purchase accounting accretion than 4Q16
Noninterest Income	• Expected to be in the range of $2.3 B - $2.4 B
Noninterest Expense	• Expected to be in the range of $3.65 B - $3.75 B
Credit Quality	• Net charge-offs to average loans below targeted range of 40 – 60 bps • Provision expected to slightly exceed net charge-offs to provide for loan growth
Taxes	• GAAP tax rate in the range of 25% - 27%

Long-term Targets

Positive operating leverage

Cash efficiency ratio:
<60%

Moderate risk profile:
Net charge-offs to avg. loans targeted range of 40-60 bps

ROTCE:
13-15%

Guidance ranges: relatively stable: +/- 2%; low single-digit: <5%; mid-single digit: 4% - 6%; high-single digit 7-9%

(a) Guidance provided does not include merger-related charges

Financial Review

Financial Highlights

4Q16 & 3Q16 reflect the impact of the FNFG acquisition, which became effective on 8/1/2016

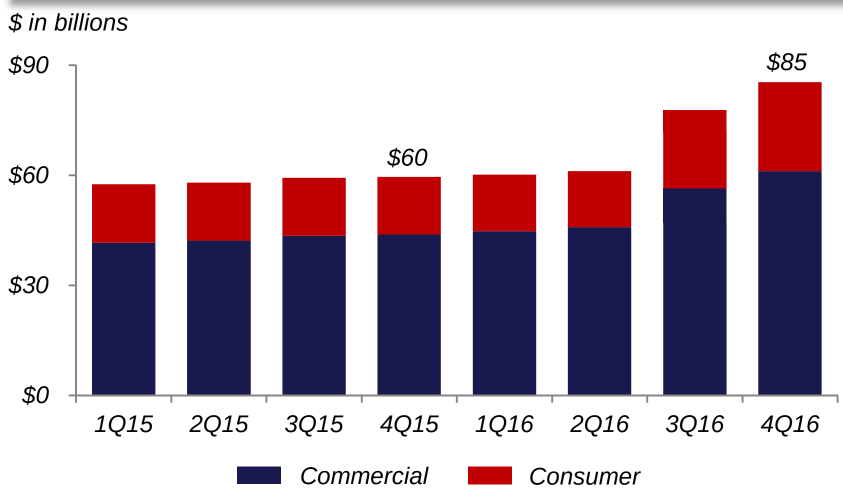
Continuing operations, unless otherwise noted

	Metrics	4Q16	3Q16	2Q16	1Q16	4Q15
Financial Performance	EPS – assuming dilution	$ .20	$ .16	$ .23	$ .22	$ .27
	EPS –excl. merger-related charges[d], [e]	.31	.30	.27	.24	.27
	Cash efficiency ratio[d]	76.2 %	80.0 %	69.0 %	66.6 %	66.4 %
	Cash efficiency –excl. merger-related charges[d], [e]	63.3	64.9	64.8	64.3	65.8
	Return on average total assets	.69	.55	.82	.80	.97
	ROAA –excl. merger-related charges[d], [e]	1.06	.98	.94	.86	.99
	Return on tangible common equity	7.88	6.16	7.94	7.64	9.50
	ROTCE –excl. merger-related charges[d], [e]	12.47	11.10	9.09	8.27	9.67
Balance Sheet Growth[a]	Total loans and leases	43 %	31 %	5 %	5 %	5 %
	CF&A loans	28	23	12	12	14
	Deposits (excl. foreign deposits)	46	36	5	4	3
Capital[b]	Common Equity Tier 1[c], [d]	9.6 %	9.6 %	11.1 %	11.1 %	10.9 %
	Tier 1 risk-based capital[c]	11.0	10.5	11.4	11.4	11.4
	Tangible common equity to tangible assets[d]	8.1	8.3	10.0	10.0	10.0
Asset Quality	NCOs to average loans	.34 %	.23 %	.28 %	.31 %	.25 %
	NPLs to EOP portfolio loans[f]	.73	.85	1.00	1.12	.65
	Allowance for loan and lease losses to EOP loans	1.00	1.01	1.38	1.37	1.33

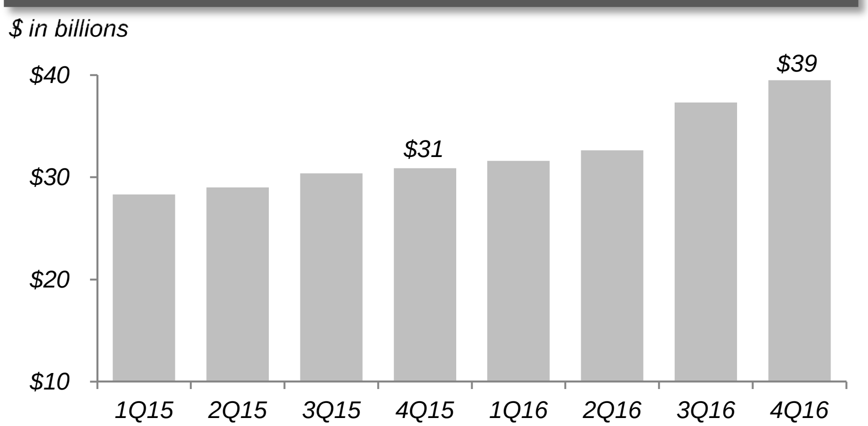
TE = Taxable equivalent; EOP = End of Period
(a) Year-over-year average balance growth
(b) From consolidated operations
(c) 12-31-16 ratios are estimated
(d) Non-GAAP measure: see slides 25-26 for reconciliation
(e) Merger-related charges detail available on slide 22
(f) Nonperforming loan balances exclude $865 million, $959 million, $11 million, $11 million, and $11 million of purchased credit impaired loans at December 31, 2016, September 30, 2016, June 30, 2016, March 31, 2016, and December 31, 2015, respectively

Loans

Total Average Loans



Average Commercial, Financial & Agricultural Loans



Highlights

- **Loan growth reflects acquisition and core business performance**
- **Period-end loans up 1% from 9/30/16**
- **Fair value mark on acquired FNFG loan portfolio adjusted from $686 MM to $548 MM during 4Q16**

vs. Prior Year

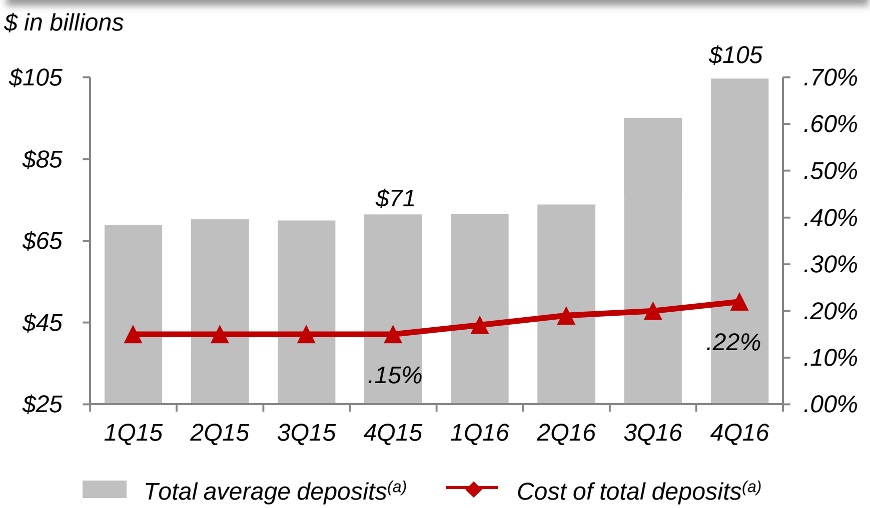
- **Average loans up 43% from 4Q15, with CF&A loans up 28%**
  - **Growth primarily reflects full-quarter impact of FNFG**
  - **CF&A continues to be a driver**

vs. Prior Quarter

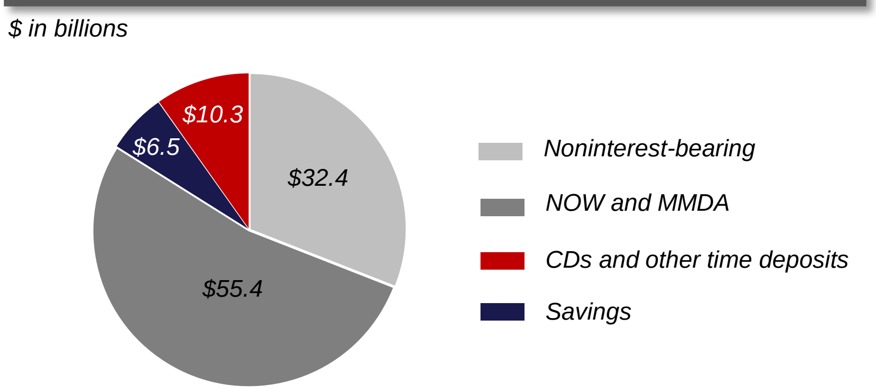
- **Average loans up 10% from 3Q16 (CF&A up 6%)**
  - **Primarily reflects impact from one additional month of FNFG**
  - **Growth reduced by the impact of September branch divestitures and the exit of acquired non-relationship commercial loans**
  - **CF&A continues to be a driver**

Deposits

Average Deposits[a]



4Q16 Average Deposit Mix



Highlights

- Deposit growth reflects continued momentum in core businesses as well as the FNFG acquisition
- Retail deposit growth in all First Niagara markets since conversion
- 4Q16: 31% noninterest bearing; 47% retail

vs. Prior Year

- Average deposit growth of 46% from 4Q15
  - Growth primarily reflects full quarter impact of FNFG
  - Continued momentum with core retail deposits and escrow deposits from commercial mortgage servicing

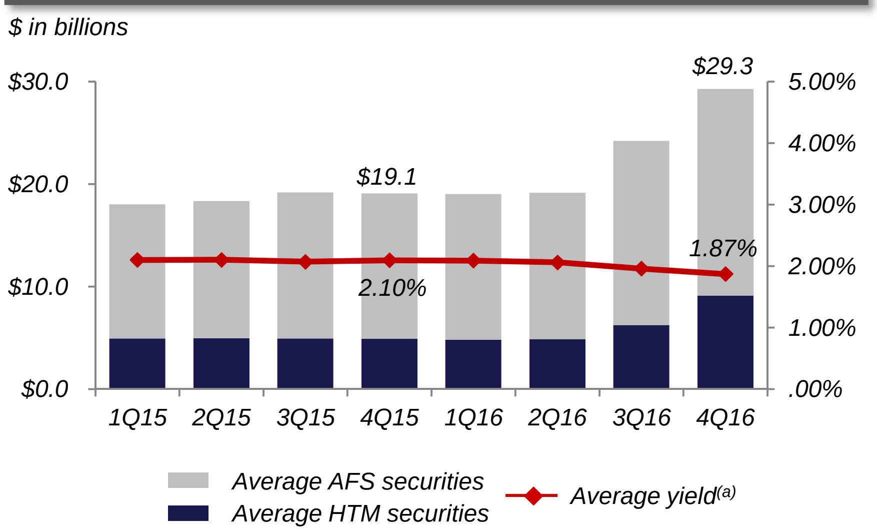
vs. Prior Quarter

- Average deposit balances up 10% from 3Q16
  - Higher balances from one additional month of FNFG
  - Reduced by the impact of September branch divestitures
  - Continued momentum with core retail deposits and inflows from commercial clients

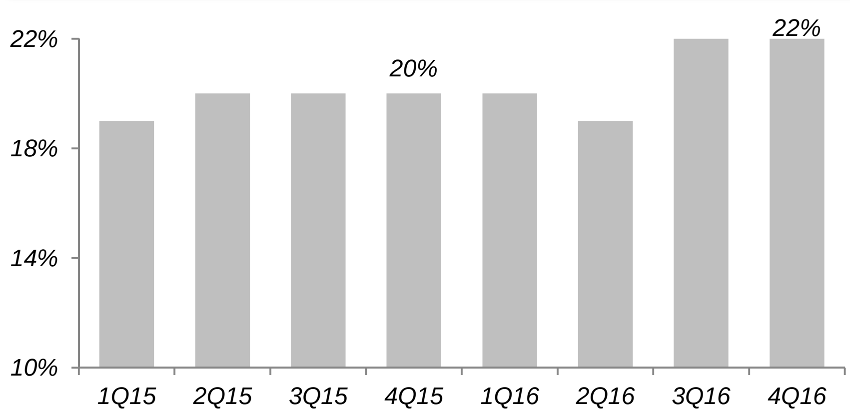
(a) Excludes deposits in foreign office

Investment Portfolio

Average Total Investment Securities



Securities to Total Assets[b]



Highlights

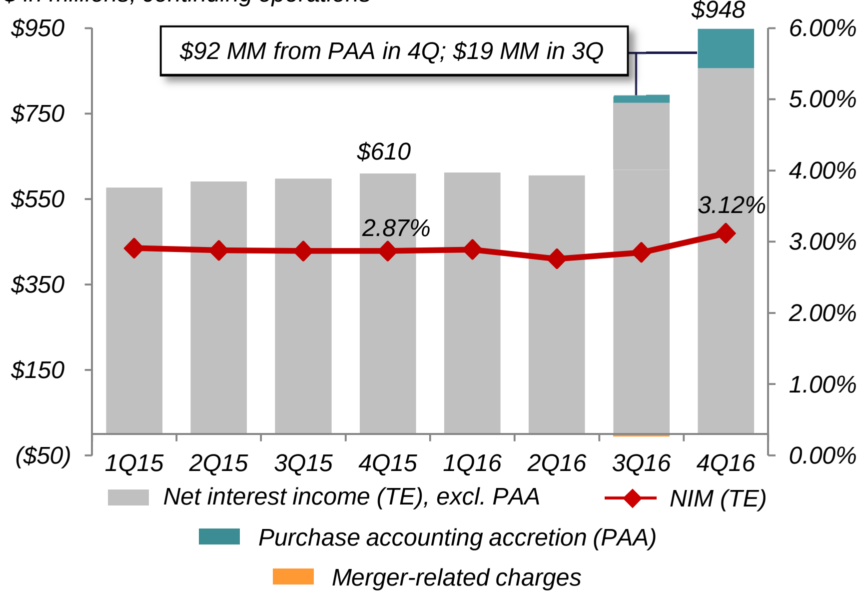
- **Portfolio composed primarily of GNMA and GSE-backed MBS and CMOs; primarily fixed rate**
- **Growth in portfolio primarily related to:**
  - **Full quarter impact of First Niagara acquisition ($9 B acquired at ~1.57% at 8/1/16 closing)**
  - **Redeployment of excess liquidity into MBS securities**
- **Continue to position portfolio for regulatory liquidity requirements:**
  - **Reinvesting cash flows into High Quality Liquid Assets, including GNMA securities (45% of 4Q16 average balances)**
- **Securities cash flows of $2.0 billion in 4Q16 and $1.7 billion in 3Q16**
- **Average portfolio life at 12/31/16 of 4.3 years (3.7 years at 9/30/16)**

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

Net Interest Income and Margin

Net Interest Income & Net Interest Margin Trend (TE)

$ in millions; continuing operations



NIM Change vs. Prior Quarter:		
	3Q16:	*2.85%*
Purchase accounting accretion		.12
Purchase accounting accretion (refinement of 3Q)		.11
Lower levels of liquidity		.05
All other		(.01)
Total change		**.27**
	4Q16:	*3.12%*

Highlights

- **4Q16 net interest income includes $92 MM from purchase accounting accretion ($19 MM in 3Q16)**
  - **$34 MM of 4Q16 total related to refinement of 3Q16 purchase accounting estimates**

vs. Prior Year

- **Net interest income up $246 MM from 4Q15, excl. purchase accounting accretion**
  - **Largely driven by the full quarter impact of FNFG and core business activity**

vs. Prior Quarter

- **Net interest income up $87 MM from 3Q16, excl. purchase accounting accretion**
  - **Reflects one additional month of FNFG and core business activity**

TE = Taxable equivalent

Noninterest Income

Noninterest Income

$ in millions *Up / (Down)*	4Q16	vs. 4Q15	vs. 3Q16
Trust and investment services income	$ 123	$ 18	$ 1
Investment banking and debt placement fees	157	30	1
Service charges on deposit accounts	84	20	(1)
Operating lease income and other leasing gains	21	6	15
Corporate services income	61	6	10
Cards and payments income	69	22	3
Corporate-owned life insurance	40	4	11
Consumer mortgage income	6	4	-
Mortgage servicing fees	20	5	5
Net gains (losses) from principal investing	4	4	(1)
Other income	33	14	25
Total noninterest income	**$ 618**	**$ 133**	**$ 69**
Merger-related charges[(a)]	9	9	21
Total noninterest income, excluding merger-related charges[(b)]	**$ 609**	**$ 124**	**$ 48**

Highlights

- Growth reflects continued momentum in core businesses as well as the FNFG acquisition
- Record quarter and year for investment banking and debt placement (IBDP) fees
- 4Q16 noninterest income included a benefit of $9 MM associated with merger-related charges (compared to $12 MM in charges in 3Q16)

vs. Prior Year

- Noninterest income up $124 MM from 4Q15, excl. merger-related charges
  - Full quarter impact of FNFG in 4Q16
  - Continued momentum in core businesses, incl. IBDP and cards and payments

vs. Prior Quarter

- Noninterest income up $48 MM from 3Q16, excl. merger-related charges
  - One additional month of impact from FNFG
  - Operating lease income and other leasing gains in 3Q16 impacted by lease residual losses
  - Normal seasonality, including COLI

(a) Merger-related charges detail provided on slide 22
(b) Non-GAAP measure: see slides 25-26 for reconciliation

Noninterest Expense

Noninterest Expense

$ in millions *Up / (Down)*	4Q16	vs. 4Q15	vs. 3Q16
Personnel	$ 648	$ 219	$ 54
Net occupancy	112	48	39
Computer processing	97	54	27
Business services, professional fees	78	34	2
Equipment	30	8	4
Operating lease expense	17	4	2
Marketing	35	18	3
FDIC assessment	23	15	2
Intangible asset amortization	27	18	14
OREO expense, net	3	2	-
Other expense	150	64	(9)
Total noninterest expense	**$ 1,220**	**$ 484**	**$ 138**
Merger-related charges[a]	207	201	18
Total noninterest expense, excluding merger-related charges[b] and First Niagara	**$ 1,013**	**$283**	**$120**

Expense comparisons reflect:

Charges ($ MM)	4Q16	3Q16	4Q15
Merger-related	207	189	6
Pension settlement	18	-	4

Highlights

- **4Q16 noninterest expense of $1.2 B included $207 MM of merger-related charges, a full quarter impact of First Niagara (~$70 MM/month[c]) and an $18 MM pension settlement charge**
- **Intangible asset amortization: $5 MM of the increase in 4Q16 related to refinement of 3Q16 purchase accounting**

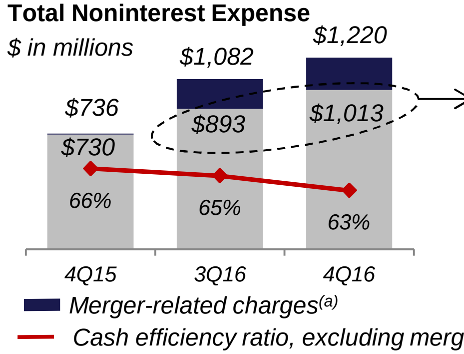
vs. Prior Year

- **Noninterest expense up $283 MM, excl. merger charges[b]**
  - **Growth largely reflects full quarter impact of FNFG**
  - **Higher incentive and stock-based compensation**
  - **Larger pension settlement charge**
  - **Increased intangible amortization**

vs. Prior Quarter

- **Noninterest expense up $120 MM, excl. merger charges[b]**
  - **One additional month of FNFG**
  - **Pension settlement charge of $18 MM**
  - **Higher incentive and stock-based compensation**
  - **Increased intangible amortization**

Total Noninterest Expense

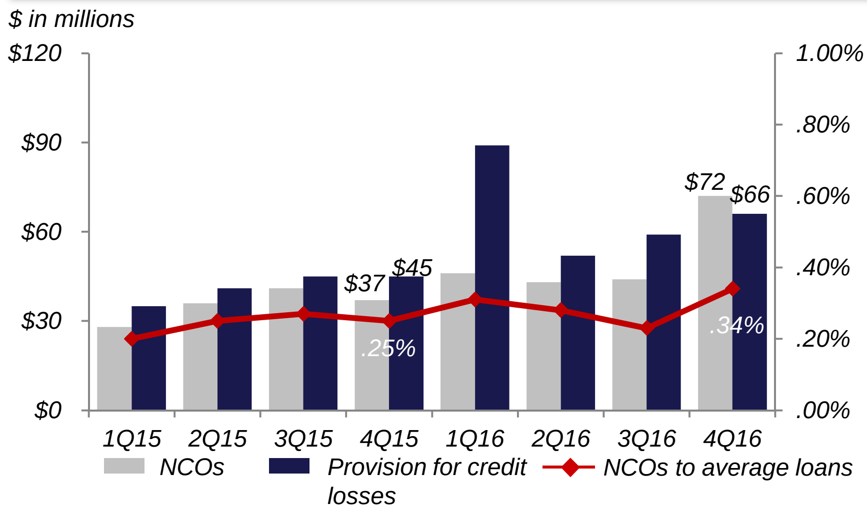


$120 MM growth vs. 3Q
- Additional month of FNFG (~$70 MM)[c]
- Pension settlement ($18 MM)
- Incentive and stock-based comp. (~$19 MM)[c]
- Increased intangible asset amortization ($14 MM)

(a) Merger-related charges detail provided on slide 22
(b) Non-GAAP measure: see slides 25-26 for reconciliation
(c) Estimation based upon the one month equivalent of the FNFG contribution to Key's 3Q16 reported results

Credit Quality

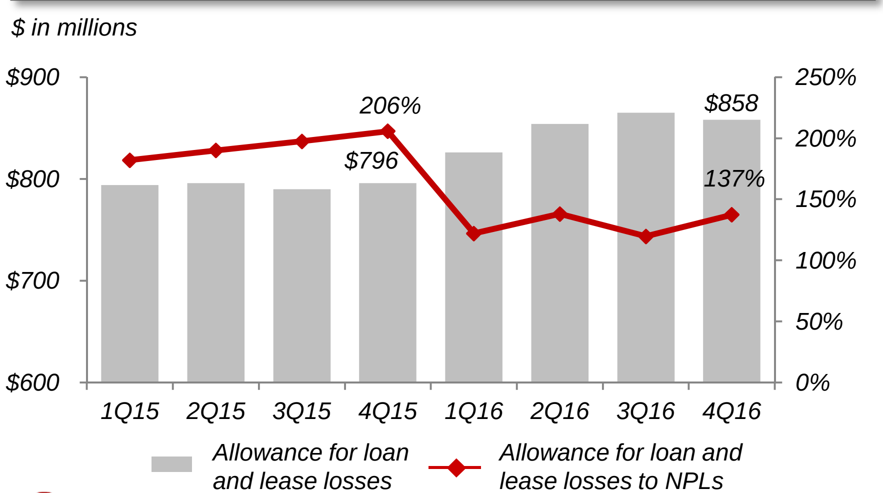
Net Charge-offs & Provision for Credit Losses



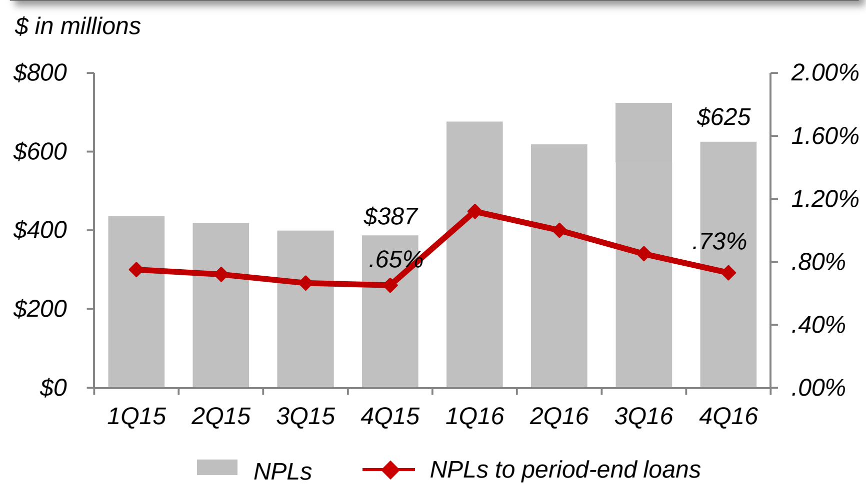
Highlights

- **Net loan charge-offs of $72 MM**
  - **Reflects regulatory guidance on consumer bankruptcies and conforming FNFG charge-off policies to Key's policies**
  - **34 basis points of average loans, below targeted range**
- **Nonperforming loans down 14% from 3Q16 and represent 73 bps of period-end loans**

Allowance for Loan and Lease Losses



Nonperforming Loans[(a)]

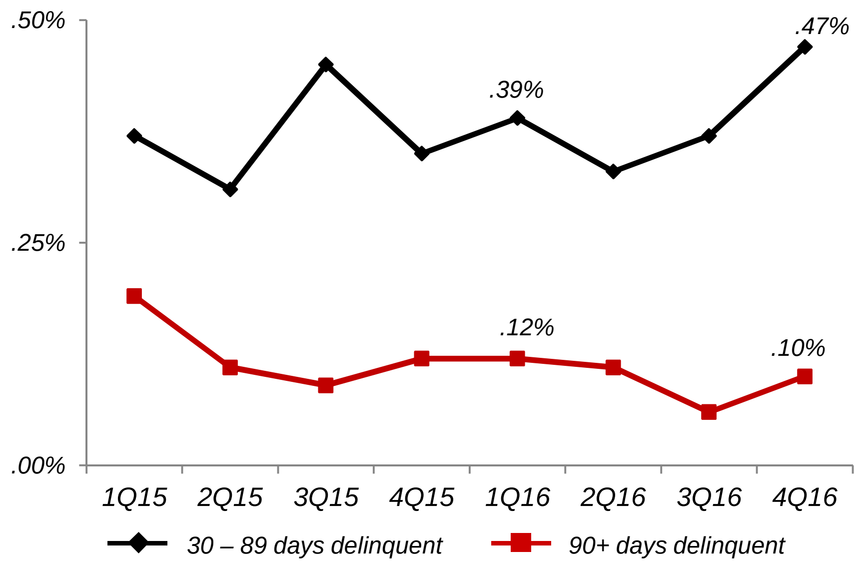


(a) Nonperforming loan balances exclude $865 million and $11 million of purchased credit impaired loans at December 31, 2016, and December 31, 2015, respectively

Credit Quality

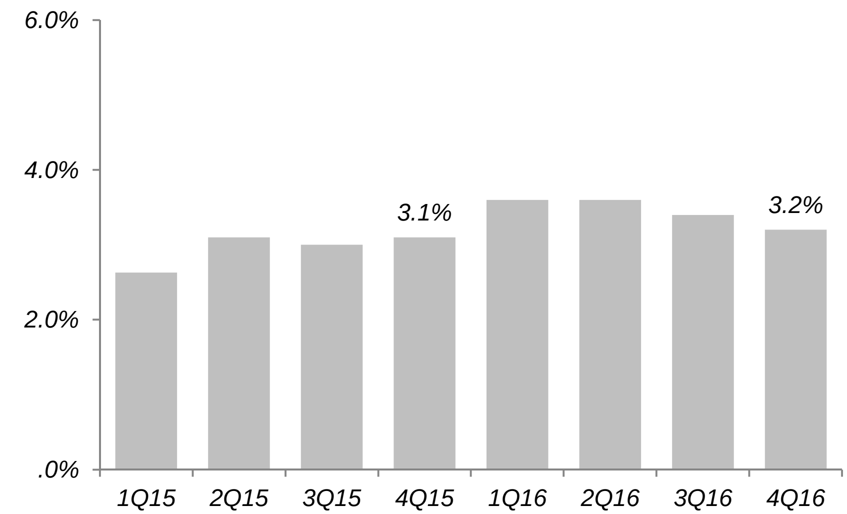
Delinquencies to Period-end Total Loans

Continuing operations



Criticized Outstandings[a] to Period-end Total Loans

Continuing operations



Metric[b]	4Q16		3Q16		2Q16		1Q16		4Q15	
Delinquencies to EOP total loans: 30-89 days	.47	%	.37	%	.33	%	.39	%	.35	%
Delinquencies to EOP total loans: 90+ days	.10		.06		.11		.12		.12	
NPLs to EOP portfolio loans[c]	.73		.85		1.00		1.12		.65	
NPAs to EOP portfolio loans + OREO + Other NPAs[c]	.79		.89		1.03		1.14		.67	
Allowance for loan losses to period-end loans	1.00		1.01		1.38		1.37		1.33	
Allowance for loan losses to NPLs	137.3		119.6		138.0		122.2		205.7	

(a) Loan and lease outstandings; excludes purchase credit impaired loans from the First Niagara acquisition
(b) From continuing operations
(c) Nonperforming loan balances exclude $865 million, $959 million, $11 million, $11 million, and $11 million of purchased credit impaired loans at December 31, 2016, September 30, 2016, June 30, 2016, March 31, 2016, and December 31, 2015, respectively

Credit Quality

Credit Quality by Portfolio

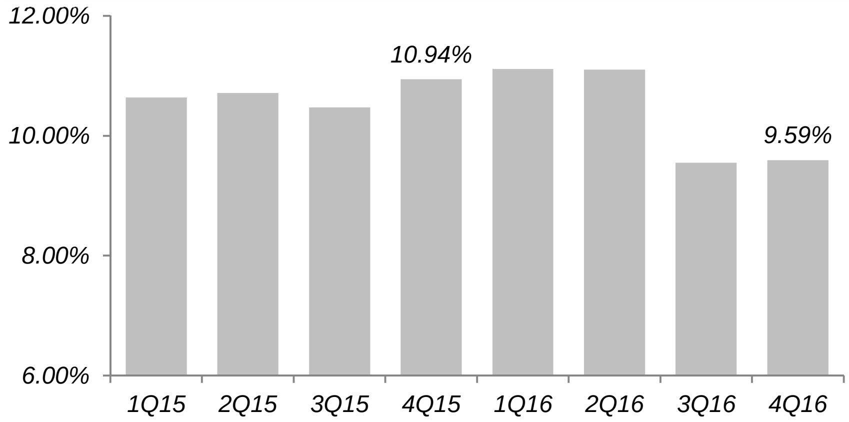
$ in millions	Period-end loans	Average loans	Net loan charge-offs	Net loan charge-offs[b] / average loans (%)	Nonperforming loans[c]	Ending allowance[d]	Allowance / period-end loans[d] (%)	Allowance / NPLs (%)
	12/31/16	**4Q16**	**4Q16**	**4Q16**	**12/31/16**	**12/31/16**	**12/31/16**	**12/31/16**
Commercial, financial and agricultural[a]	$ 39,768	$ 39,495	$ 37	.37%	$ 297	$ 508	1.28%	171.04%
Commercial real estate:								
Commercial Mortgage	15,111	14,771	2	.05	26	144	.95	553.85
Construction	2,345	2,222	-	-	3	22	.94	733.33
Commercial lease financing	4,685	4,624	-	-	8	42	.90	525.00
Real estate – residential mortgage	5,547	5,554	2	.14	56	17	.31	30.36
Home equity	12,674	12,812	4	.12	223	54	.43	24.22
Credit cards	1,111	1,088	9	3.29	2	24	2.16	N/M
Consumer direct loans	1,788	1,785	8	1.78	6	9	.50	150.00
Consumer indirect loans	3,009	3,009	10	1.32	4	38	1.26	950.00
Continuing total[e]	**$ 86,038**	**$ 85,360**	**$ 72**	**.34%**	**$ 625**	**$ 858**	**1.00**	**137.28%**
Discontinued operations	1,565	1,589	4	1.00	5	24	1.53	480.00
Consolidated total	**$ 87,603**	**$ 86,949**	**$ 76**	**.35%**	**$ 630**	**$ 882**	**1.01**	**140.00%**

N/M = Not meaningful

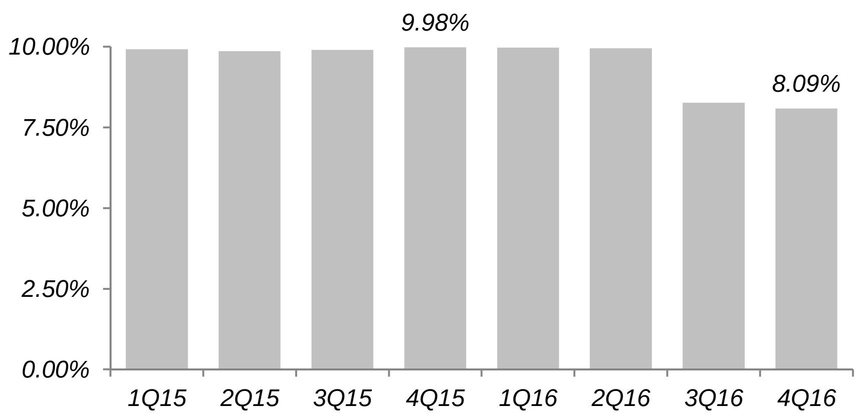
(a) 12-31-16 ending loan balance includes $116 million of commercial credit card balances; 12-31-16 average loan balance includes $119 million of assets from commercial credit cards
(b) Net loan charge-off amounts are annualized in calculation
(c) 12-31-16 NPL amount excludes $865 million of purchased credit impaired loans
(d) 12-31-16 allowance by portfolio is estimated
(e) 12-31-16 ending loan balance includes purchased loans of $21.0 billion, of which $865 million were purchased credit impaired

Capital

Common Equity Tier 1[(a), (b)]



Tangible Common Equity to Tangible Assets[(a)]



Highlights

- **Strong capital position with Common Equity Tier 1 ratio of 9.59%[(b)] at 12/31/16**
- **Repurchased $68 MM in common shares during 4Q16**
- **Common Equity Tier 1 ratio under fully phased-in Regulatory Capital Rules[(c)]: 9.47% at 12/31/16**

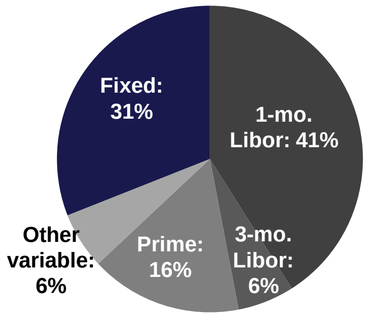
(a) Non-GAAP measure: see slides 25-26 for reconciliation
(b) 12-31-16 figures are estimated
(c) The anticipated amount of regulatory capital and risk-weighted assets is based upon the federal banking agencies' Regulatory Capital Rules (as fully phased-in on January 1, 2019); Key is subject to the Regulatory Capital Rules under the "standardized approach."

Interest Rate Risk Management

Naturally Asset Sensitive Balance Sheet

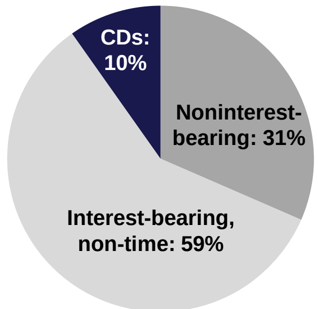
Loans

12/31/16



Deposits

12/31/16



Investment Portfolio

12/31/16

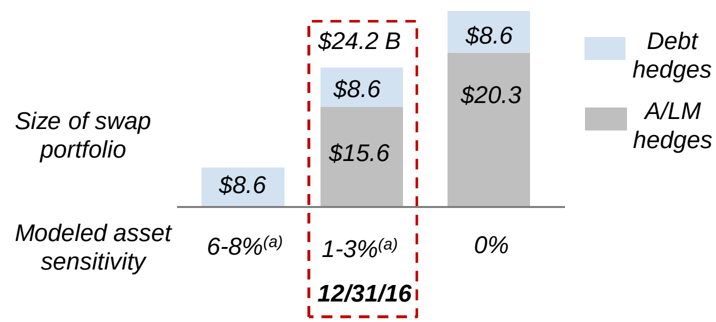
Balance sheet has relatively short duration and is impacted by both short and intermediate-term interest rates

Actively Managing Rate Risk

- **Modest asset sensitive position of 1% - 3%[(a)]**
  - Assumes 200 basis point increase over a 12-month period
- **Utilize swaps for debt hedging and asset liability management**
  - Fairly even pace of A/LM swap maturities
  - $3.8 B A/LM swaps scheduled to mature in 2017

Swaps *($ in B)*	12/31/16 Notional Amt.	Wtd. Avg. Maturity (Yrs.)	Receive Rate	Pay Rate
A/L Management	$ 15.6	2.0	1.1%	.6%
Debt	8.6	3.3	1.6	.6
	$ 24.2	**2.5**	**1.3%**	**.6%**

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 period-end balances

(a) Asset sensitivity ranges reflect a beta of 0% - 55% for deposit repricing for the first 25 bps change in rates and ~55% for the next 175 basis points

FNFG Merger-related Charges

$ in millions *Increase / (Decrease)*	4Q16	3Q16	2Q16	1Q16	4Q15
Net interest income	**-**	**$ (6)**	**-**	**-**	**-**
Operating lease income and other leasing gains	-	$ (2)	-	-	-
Other income	$ 9	(10)	-	-	-
Noninterest income	**$ 9**	**$ (12)**	**-**	**-**	**-**
Personnel expense[(a)]	**$ 80**	**$ 97**	**$ 35**	**$ 16**	**-**
Net Occupancy	$ 29	-	-	-	-
Business services and professional fees	22	$ 32	$ 5	$ 7	$ 5
Computer processing	38	15	-	-	-
Marketing	13	9	3	1	-
All other nonpersonnel	25	36	2	-	1
Total nonpersonnel expense	**$ 127**	**$ 92**	**$ 10**	**$ 8**	**$ 6**
Total merger-related charges	**$ 198**	**$ 207**	**$ 45**	**$ 24**	**$ 6**
EPS impact	**$ (.11)**	**$ (.14)**	**$ (.04)**	**$ (.02)**	**-**

(a) Personnel expense includes severance, technology development related to systems conversions, and fully-dedicated personnel for merger and integration efforts

Home Equity Portfolio

Highlights

- High quality portfolio
- 57% first lien position
- Average FICO score of 772
- Average CLTV at origination: 71%

- $5.3 billion of the total portfolio are fixed rate loans that require principal and interest payments; $7.4 billion are lines
- $1.3 billion in lines outstanding (10% of the total portfolio) come to end of draw period in the next three years

Home Equity Portfolio – 12/31/16

$ in millions, except average loan size

	Loan Balances	Average Loan Size ($)	Average FICO	Average CLTV(a)	% of Loans CLTV>90%	Vintage (% of Loans) 2012 and later	2011	2010	2009	2008 and prior
Loans and lines										
First lien	$ 7,222	$ 66,392	773	67 %	.5 %	67 %	4 %	2 %	2 %	25 %
Second lien	5,452	42,284	769	77	3.3	50	4	3	2	41
Total home equity portfolio	**$ 12,674**									
Nonaccrual loans and lines										
First lien	$ 120	$ 61,088	721	72 %	2.1 %	18 %	4 %	2 %	4 %	72 %
Second lien	103	43,041	711	80	3.1	10	4	4	5	77
Total home equity nonaccruals	**$ 223**									
Fourth quarter net charge-offs (NCOs)										
Total home equity portfolio	$ 4									
% of average loans	.12 %									

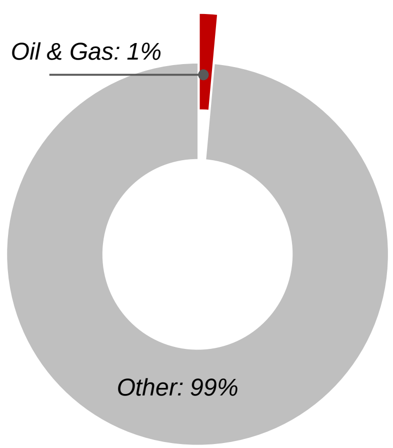
CLTV = Combined weighted-average loan-to-value ratio
(a) Average CLTVs are at origination

Oil & Gas

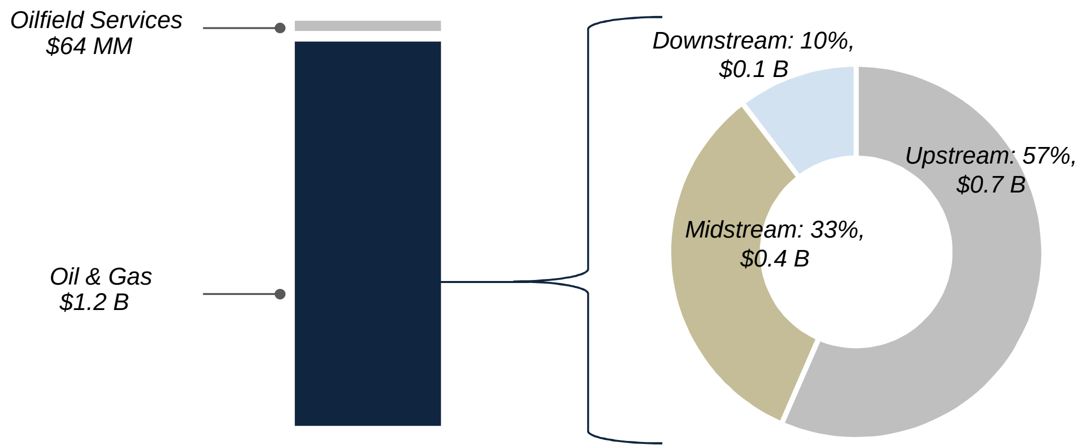
Longstanding history, expertise and relationships

- Total commitments of $3.2 B, including upstream commitments of $1.7 B
- Upstream portfolio is primarily secured by proven, developed and producing reserves
- Portfolio performing in-line with expectations
- Nonperforming loans down 19% from 3Q16
- Reserve coverage: 6% of outstanding oil and gas loans at period-end

Total Loans Outstanding, 12/31/16



Oil & Gas Outstanding Balances, 12/31/16



GAAP to Non-GAAP Reconciliation

$ in millions	Three months ended 12-31-16	9-30-16	6-30-16	3-31-16	12-31-15
Tangible common equity to tangible assets at period end					
Key shareholders' equity (GAAP)	$ 15,240	$ 14,996	$ 11,313	$ 11,066	$ 10,746
Less: Intangible assets [a]	2,788	2,855	1,074	1,077	1,080
Preferred Stock, Series A [b]	1,640	1,150	281	281	281
Tangible common equity (non-GAAP)	$ 10,812	$ 10,991	$ 9,958	$ 9,708	$ 9,385
Total assets (GAAP)	$ 136,453	$ 135,805	$ 101,150	$ 98,402	$ 95,133
Less: Intangible assets [a]	2,788	2,855	1,074	1,077	1,080
Tangible common equity to tangible assets ratio (non-GAAP)	$ 133,665	$ 132,950	$ 100,076	$ 97,325	$ 94,053
Tangible common equity to tangible assets ratio (non-GAAP)	8.09%	8.27%	9.95%	9.97%	9.98%
Common Equity Tier 1 at period end					
Key shareholders' equity (GAAP)	$ 15,240	$ 14,996	$ 11,313	$ 11,066	$ 10,746
Less: Preferred Stock, Series A [b]	1,640	1,150	281	281	281
Common Equity Tier 1 capital before adjustments and deductions	13,600	13,846	11,032	10,785	10,465
Less: Goodwill, net of deferred taxes	2,416	2,450	1,031	1,033	1,034
Intangible assets, net of deferred taxes	159	216	30	35	26
Deferred tax assets	6	6	1	1	1
Net unrealized gains (losses) on available-for-sale securities, net of deferred taxes	(185)	101	129	70	(58)
Accumulated gains (losses) on cash flow hedges, net of deferred taxes	(53)	39	77	46	(20)
Amounts in accumulated other comprehensive income (loss) attributed to pension and postretirement benefit costs, net of deferred taxes	(339)	(359)	(362)	(365)	(365)
Total Common Equity Tier 1 capital [c]	$ 11,596	$ 11,393	$ 10,126	$ 9,965	$ 9,847
Net risk-weighted assets (regulatory) [c]	$ 120,887	$ 119,120	$ 91,195	$ 90,014	$ 89,980
Noninterest expense excluding merger-related charges					
Noninterest expense (GAAP)	$ 1,220	$ 1,082	$ 751	$ 703	$ 736
Less: Merger-related charges	207	189	45	24	6
Noninterest expense excluding merger-related charges (non-GAAP)	$ 1,013	$ 893	$ 706	$ 679	$ 730
Earnings per common share (EPS) excluding merger-related charges					
EPS from continuing operations attributable to Key common shareholders — assuming dilution	$ .20	$ .16	$ .23	$ .22	$ .27
Add: EPS impact of merger-related chrges	.11	.14	.04	.02	-
EPS from continuing operations attributable to Key common shareholders excluding merger-related charges (non-GAAP)	$ .31	$ .30	$ .27	$ .24	$ .27

	Twelve months ended 12-31-16	12-31-15
Pre-provision net revenue, excluding merger-related charges		
Net interest income (GAAP)	$ 2,919	$ 2,348
Plus: Taxable-equivalent adjustment	34	28
Noninterest income (GAAP)	2,071	1,880
Less: Noninterest expense (GAAP)	3,756	2,840
Pre-provision net revenue from continuing operations	1,268	1,416
Less: Merger-related charges	474	6
Pre-provision net revenue from continuing operations excluding merger-related charges (non-GAAP)	$ 1,742	$ 1,422

(a) Three months ended 12/31/16, 9/30/16, 6/30/16, 3/31/16, and 12/31/15 exclude $42 million, $51 million, $36 million, $40 million, and $45 million, respectively, of period-end purchased credit card receivables
(b) Net of capital surplus
(c) 12/31/16 amount is estimated

GAAP to Non-GAAP Reconciliation (continued)

$ in millions	Three months ended				
	12-31-16	9-30-16	6-30-16	3-31-16	12-31-15
Average tangible common equity					
Average Key shareholders' equity (GAAP)	$ 14,901	$ 13,552	$ 11,147	$ 10,953	$ 10,731
Less: Intangible assets (average) [a]	2,874	2,255	1,076	1,079	1,082
Preferred Stock, Series A (average)	1,274	648	290	290	290
Average tangible common equity (non-GAAP)	$ 10,753	$ 10,649	$ 9,781	$ 9,584	$ 9,359
Return on average tangible common equity from continuing operations					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 213	$ 165	$ 193	$ 182	$ 224
Average tangible common equity (non-GAAP)	10,753	10,649	9,781	9,584	9,359
Return on average tangible common equity from continuing operations (non-GAAP)	7.88%	6.16%	7.94%	7.64%	9.50%
Return on average tangible common equity from continuing operations, excl. merger-related charges					
Net income (loss) from continuing operations attributable to Key common shareholders (GAAP)	$ 213	$ 165	$ 193	$ 182	$ 224
Merger-related charges, after tax	124	132	28	15	4
Net income (loss) from continuing operations attributable to Key common shareholders excl. merger-related charges	$ 337	$ 297	$ 221	$ 197	$ 228
Average tangible common equity (non-GAAP)	10,753	10,649	9,781	9,584	9,359
Return on average tangible common equity from continuing operations excl. merger-related charges (non-GAAP)	12.47%	11.22%	9.09%	8.27%	9.67%
Return on average total assets, excluding merger-related charges					
Net income (loss) from continuing operations attributable to Key (GAAP)	$ 233	$ 171	$ 199	$ 187	$ 230
Add: Merger-related charges after tax	124	132	28	15	4
Net income (loss) from continuing operations attributable to Key excluding merger-related charges after tax (non-GAAP)	$ 357	$ 303	$ 227	$ 202	$ 234
Average total assets from continuing operations	$ 134,428	$ 123,469	$ 97,413	$ 94,477	$ 94,117
Return on average assets excluding merger-related charges (non-GAAP)	1.06%	.98%	.94%	.86%	.99%
Cash efficiency ratio					
Noninterest expense (GAAP)	$ 1,220	$ 1,082	$ 751	$ 703	$ 736
Less: Intangible asset amortization	27	13	7	8	9
Adjusted noninterest expense (non-GAAP)	$ 1,193	$ 1,069	$ 744	$ 695	$ 727
Less: Merger-related charges	207	189	45	24	6
Adjusted noninterest expense excluding merger-related charges (non-GAAP)	$ 986	$ 880	$ 699	$ 671	$ 721
Net interest income (GAAP)	$ 938	$ 780	$ 597	$ 604	$ 602
Plus: Taxable-equivalent adjustment	10	8	8	8	8
Noninterest income	618	549	473	431	485
Total taxable-equivalent revenue (non-GAAP)	$ 1,566	$ 1,337	$ 1,078	$ 1,043	$ 1,095
Plus: Merger-related charges	(9)	18	-	-	-
Adjusted noninterest income excl. merger-related charges (non-GAAP)	$ 1,557	$ 1,355	$ 1,078	$ 1,043	$ 1,095
Cash efficiency ratio (non-GAAP)	76.2%	80.0%	69.0%	66.6%	66.4%
Cash efficiency ratio excluding merger-related charges (non-GAAP)	63.3%	64.9%	64.8%	64.3%	65.8%